

December

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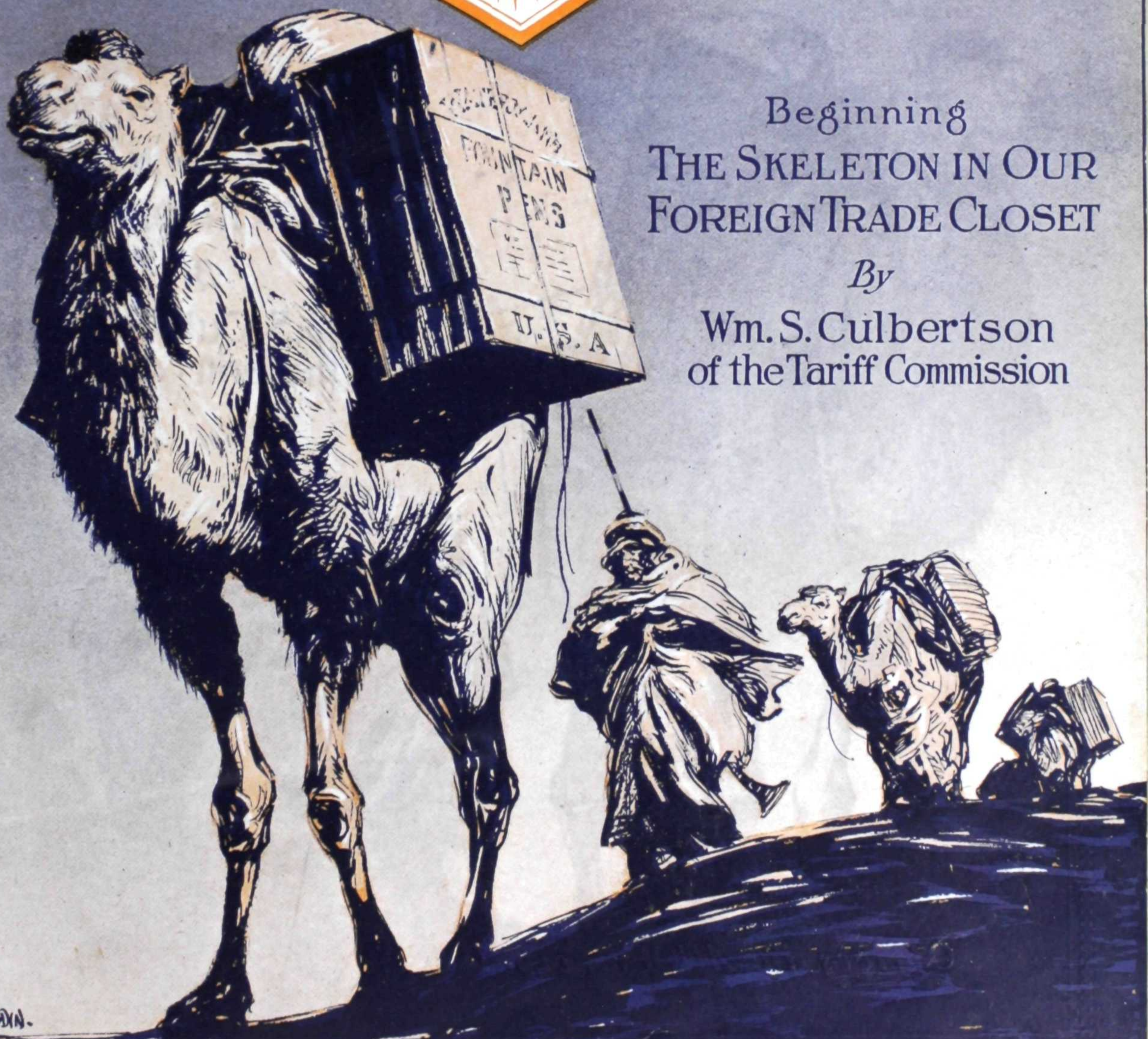
# NATION'S BUSINESS



Beginning  
THE SKELETON IN OUR  
FOREIGN TRADE CLOSET

*By*

Wm. S. Culbertson  
of the Tariff Commission





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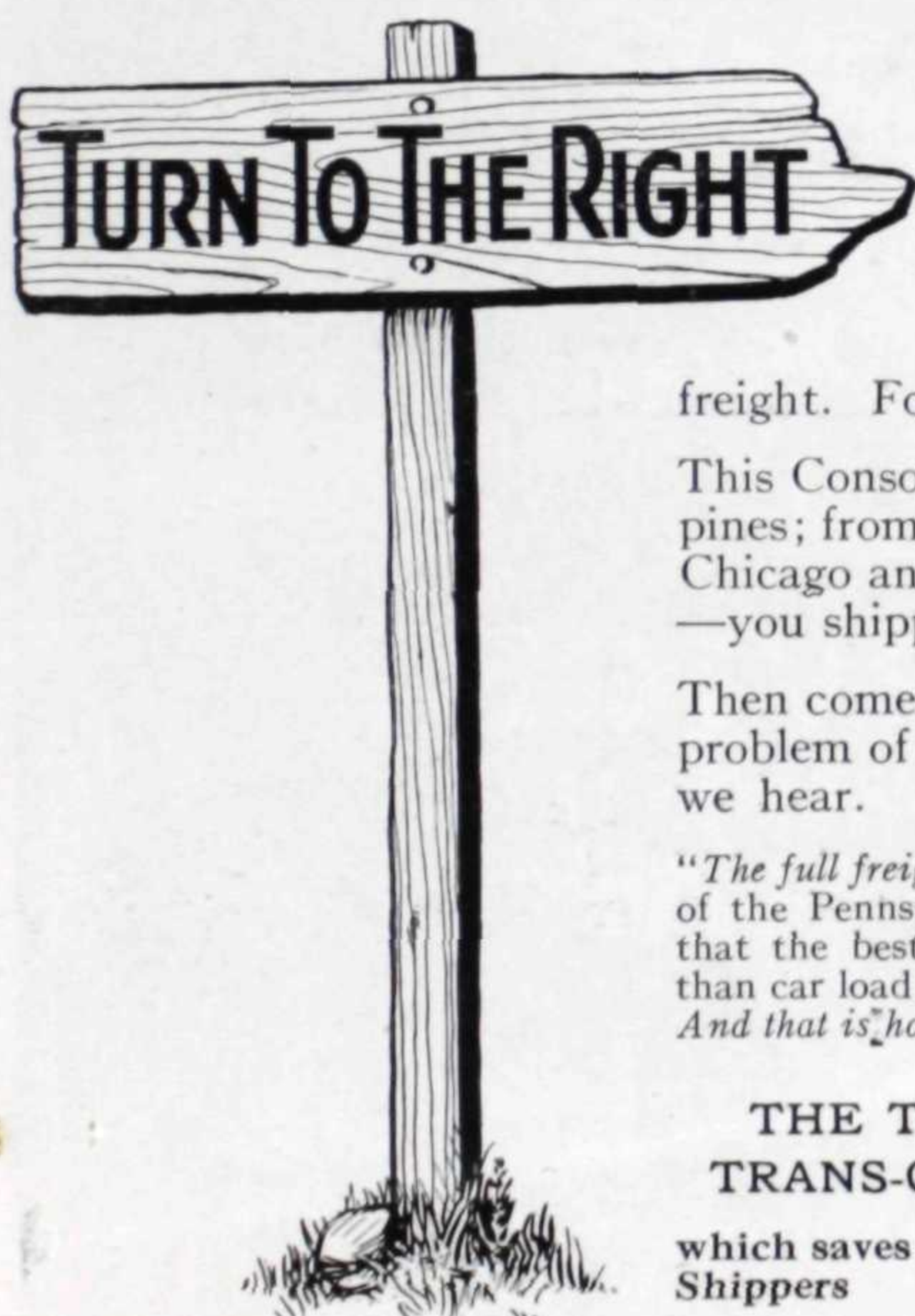
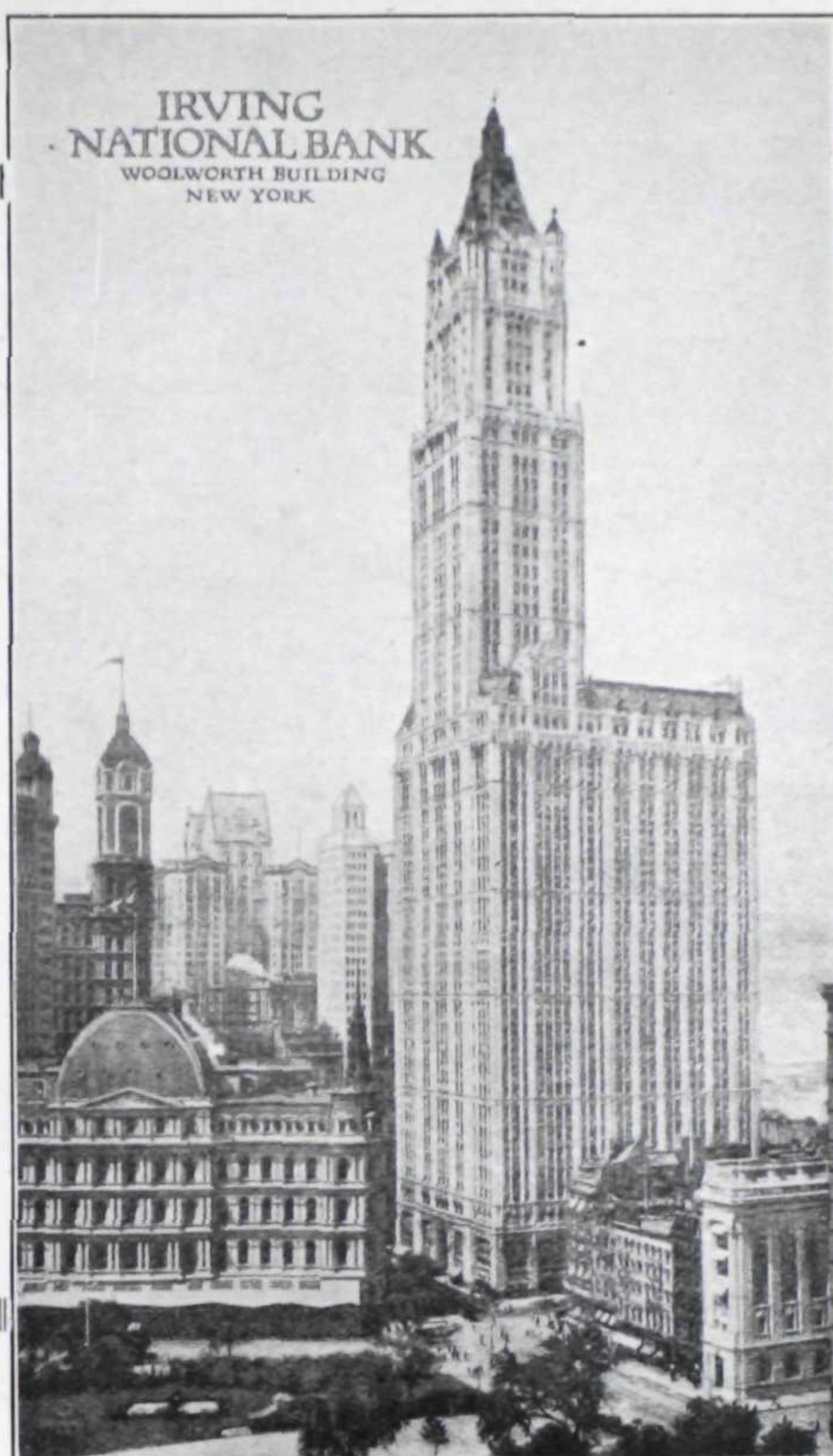
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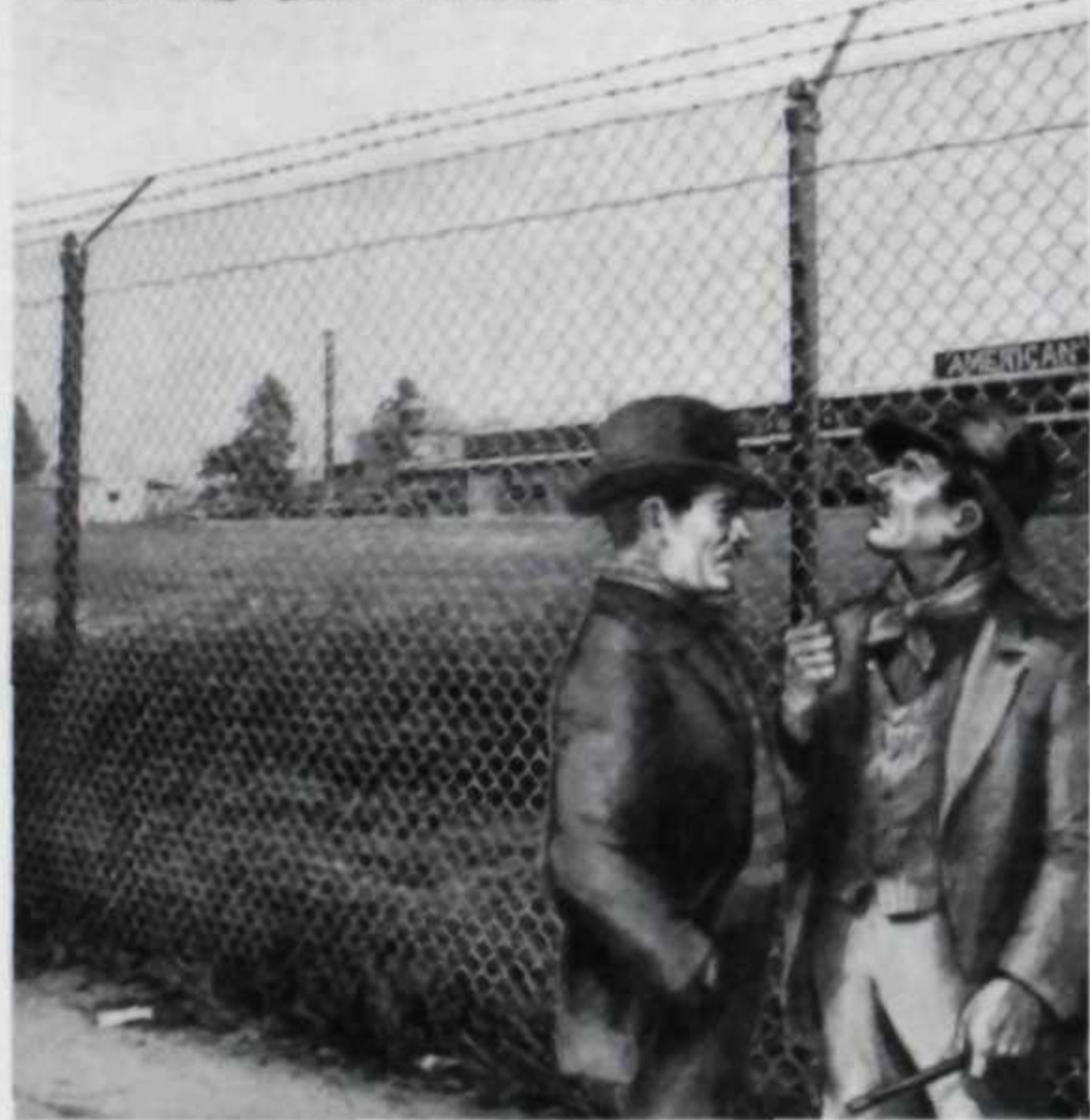
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## THE NATION'S BUSINESS A MAGAZINE FOR BUSINESS MEN



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MERLE THORPE . . . . . Editor  
F. S. TISDALE . . . . . Associate Editor  
ROBERT D. HEINL . . . . . Associate Editor

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WASHINGTON, DECEMBER, 1917

## Why Costs Are High



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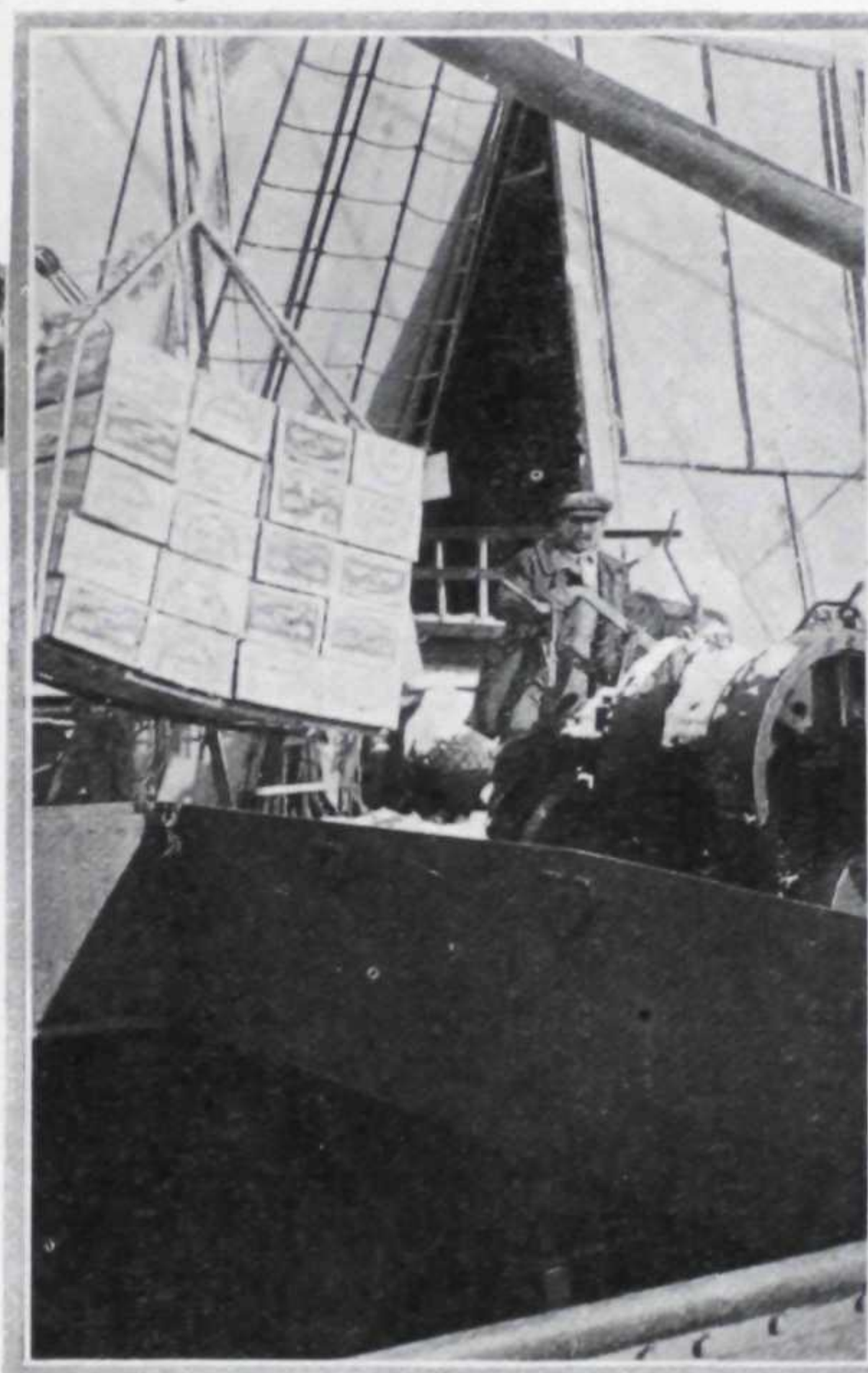
WASHINGTON, DECEMBER, 1917

## THE SKELETON IN OUR FOREIGN TRADE CLOSET

No. 1—How the Overseas Combinations of Europe Present Unbroken Fronts to Our Own Strong but Scattered Forces

BY

**William S. Culbertson**  
*of the United States Tariff Commission*



**I**NTERNATIONAL trade, in the last analysis, is nothing but barter.

Through the ordinary course of exchange, the goods and services which we receive from foreign nations must, in the long run, be paid for by goods and services furnished by American citizens.

Articles such as coffee, rubber and cocoa must be obtained entirely from foreign countries, and many other articles, such as wool, hides, sugar, tropical fruits and the like, are imported extensively. There are also many manufactured articles which; at least up to the present time, the American people have found it profitable to purchase from European countries.

Without the importation of the many commodities and articles referred to, the normal progress of our industries would be arrested, and the variety of articles available for domestic consumption would be seriously curtailed. Necessity therefore compels America to export sufficient commodities—either foodstuffs, raw materials or manufactured articles—to pay for the goods and services furnished us by foreign peoples.

In addition to the argument from necessity, there are other reasons why a steady export trade is desirable for the United States. For one thing it increases the stability of American industry. If ten or fifteen per cent of a manufacturer's business consists of exports to foreign countries, he may find it, in times of depression at home, a source of relief which enables him to continue running his factory. This will benefit not merely the manufacturer, but his employees and the community which depends upon the industry in question for a part of its prosperity. Foreign trade is also particularly desirable in those industries which are subject to seasonable demands.

If an industry, let us say, like the cement industry, has a market in Argentina, it will benefit by the fact that the building season there opens at about the time that the season closes in the United States. An industry with a market in the Argentina, therefore, will be able to maintain a steady production throughout the year, but if it relies upon the demands of our domestic market alone, there

will inevitably be a period of the year when production will be seriously curtailed.

For many decades the leading industrial countries of Europe have realized the importance of a vigorous export trade and bent their energies toward obtaining it. Their laws have in almost every case been more liberal in permitting cooperation and combination than the laws of the United States and in countries like Canada, Australia and New Zealand.

### Protecting the Small Business Man

**B**EING a comparatively new country with a rich and expanding home market, we have not felt, in the past, the need of developing our foreign trade. The important thing before our legislators has been the protection of the small business man and the American consumer from large aggregations of wealth.

We have felt that fair and unrestricted competition is the best protection which we can have in the field of the production and distribution of goods. As a result, the anti-trust laws of the United States are stringent and forbid price agreements and combinations such as are commonly regarded as not only legal but highly desirable in many European countries. Countries like Germany, Belgium

and Italy allow a wide latitude of operation to monopolistic combinations. In England the courts have construed the common law rule of restraint of trade so as to permit extensive cooperation among business men, and the French courts have been equally liberal in their interpretation of code provisions applicable to industrial combinations.

### Competition From the Nation's Viewpoint

**B**EFORE the war, cooperation was common among the financial, transportation and producing interests in such countries as Germany, Italy, Great Britain, France, Belgium and Japan. Government aid and cooperation were also common. Business was viewed not so much from the point of view of the individual as from that of the nation. Germans, for example, were not found competing with Germans in the Argentine, nor English with English, nor Japanese with Japanese. The business men of each country settled their differences among themselves and moved into the foreign markets unitedly.

In their home markets also they cooperated in marketing their goods and in meeting competition with foreigners. The close bond which existed prior to the war between the producing, financial and transportation interests of such countries as Germany and Great Britain made those countries so powerful in selling their goods abroad that it was not possible for the small American business man to make any headway against them.

The only success which American business achieved against this powerful foreign cooperation was the success achieved by such large corporations as the United States Steel Corporation, the Standard Oil Company, and the Harvester Company. We were also successful in some special lines, and one or two export associations organized among non-competing manufacturers were successful in marketing American goods in foreign countries.

A few suggestions will serve to indicate the nature of the competition which American business men must meet abroad.

Great Britain's strength in foreign trade comes from several sources. She was first in



the field and established many valuable and important connections. Her merchant marine has been at all times one of the important mediums of developing foreign markets. The Marine Department of the Board of Trade is the government body which deals directly with shipping interests. The British have established excellent connections with Canada and the United States, South America, the Orient, Australasia, Africa and Europe, and in addition there are thousands of British tramps and freighters which traffic in and out of every harbor in the world. The extensive organization of Lloyds has made it a leading factor in the commercial life of England and the dominant element in international marine insurance.

#### The Necessary Financial Arm

ORIGINALLY, British manufacturers received a large part of their orders through their banking connections. The financial organization of Great Britain in international trade is the most comprehensive in the world. It affords to exporters and importers credit facilities in all parts of the world, and merchants in the most remote regions have found these banking connections of invaluable assistance to them in furthering British trade. Forty British banks operating in foreign countries have 1325 branches. "Bills on London" in pounds sterling have become the unit for transacting not only British but practically all foreign business, and London has been made the financial center of the world.

One of the important items in developing foreign trade is the ability of a country to extend credit. Foreign transactions are time-consuming, and trade credits of six, nine and twelve months are not uncommon. The British banks have special facilities for handling these credit risks and have thereby been of valuable assistance to the British business men.

At a recent meeting of the Association of Chambers of Commerce of the United Kingdom, Sir Edward Holden, of the London City and Midland Bank, suggested the formation of a large credit corporation in which other banks and trading companies might take stock, which would give special attention to the promotion of foreign trade and investments. For many decades London has been a sort of international market for discounting bills originating in over-seas markets the world over, and the English trade acceptance houses formed an additional element in strengthening England's financial preeminence.

#### Investment as a Trade Missionary

INVESTMENT of capital in foreign countries has also been an effective means of increasing trade. "Trade follows foreign investments" has become a slogan in foreign trade. The amount of foreign securities held by the British public is almost incredible. According to the *London Statist*, Great Britain possesses over £3,000,000,000 of foreign stocks of one kind or another beyond her American securities.

British capital has found its way into dock construction, railroad building, municipal improvements, domestic industries and farming of practically every country in the world. The Argentine railroads, for example, are very largely owned by British capitalists. In many cases one of the conditions laid down by those

who advance this capital is that the supplies for construction and the materials used shall be purchased in the country furnishing the capital, and even where this legal obligation does not exist the managers of these enterprises are usually Englishmen and the result is that materials are largely purchased in the country of origin.

The vast consumption of iron and steel in fixed plants such as railroads, tramways, water power and electric developments, mining and other machinery, has developed abroad an important market for British goods. The control of the leading trans-Atlantic cable lines places at the disposal of British business men avenues of trade and facilities of communication capable of putting competitors to great disadvantage. American metal interests have experienced this time and again in competition with the London Metal Exchange.

Before the rise of Germany as an industrial

(which is a combination to control the market) became the dominant form of industrial organization. Cartels were organized in practically every industry, and the syndicate or selling cartel became the medium through which the bulk of German goods were marketed, both at home and abroad. In addition, large associations of business men were formed. Chief among these were the "Central Association of German Manufacturers," the "Bund der Industriellen," and the "Hansa-Bund." The Federal Trade Commission in its report speaks as follows of the special organizations in Germany for foreign trade:

"Associations, cartels, special export selling agencies, special export cartels among allied or complementary manufacturers, active aid by the German financial organizations and by the German merchant marine, together with the support of the Imperial Government—this was the system which had pushed German export trade into all the markets of the world. Equally effective methods were employed in the business of buying cheaply the raw materials that Germany was compelled to import, and in some cases very comprehensive buying combinations with world-wide international branches and subsidiaries were developed to purchase these materials.

"Such organized effort made it possible for the Germans to publish a daily paper in Constantinople, printed in both French and German, for the promotion of an interest in all things German and for the improvement of German trade in the Levant. Similarly it permitted the education of promising young Chinese as engineers at schools and universities in Germany at the expense of German business organizations, as well as the establishment of an engineering school in Shanghai with German engineering equipment and German instructors for the training of young Chinese in China in German engineering standards, methods, equipment, etc., all for the fostering of German trade in the Orient. It colonized German business agents all over the world and used German residents abroad to aid the development of foreign trade."

Various forms of cooperation and association existed in other industrial countries. Prior to the war, a large part of the trade of Belgium was export trade, and her industries were efficiently organized for carrying it on. Switzerland, too, succeeded in placing her watch, embroidery, silk, chocolate, and machinery industries in the front ranks of the world's markets in the face of innumerable obstacles and handicaps at home and abroad, through efficient cooperation, coupled with indomitable energy, tenacity and skill in commercial organization.

While much of the trade of France related to specialized lines, in which it is difficult to use the cartel or selling syndicate, this country still had many important organizations such as that in the steel industry. The over-seas business of France is handled almost exclusively by Paris export commissionaires, of whom there are more than a thousand in that city. They are well organized into four syndicate chambers, and have developed a high degree of solidarity in their efforts to expand the export trade of France.

Italy, too, was coming to the front in effective cooperation for the purpose of developing trade, and Japan in the Orient is rapidly adopting the methods which were pursued successfully by the countries of Europe.

SEVERAL years ago a leading economist of Japan, in a book on the subject, called the

**T**WO tasks confront us. Everything else is unimportant.

Win the war.

Get ready for the reconstruction period following the war.

In preparing to reduce the natural disturbances of reconstruction to a minimum, these four factors loom big:

The retention and development of our merchant marine.

The proper use of the nation's financial credit.

The hazardous task of changing industry over from a war-time basis to that of peace-time.

The reception by industry of the hundreds of thousands of returned soldiers.

Each of these factors, separately and collectively, point to the establishment of a permanent and intelligent foreign trade policy.

We believe Mr. Culbertson's articles are a timely contribution to this vital subject.—Editor.

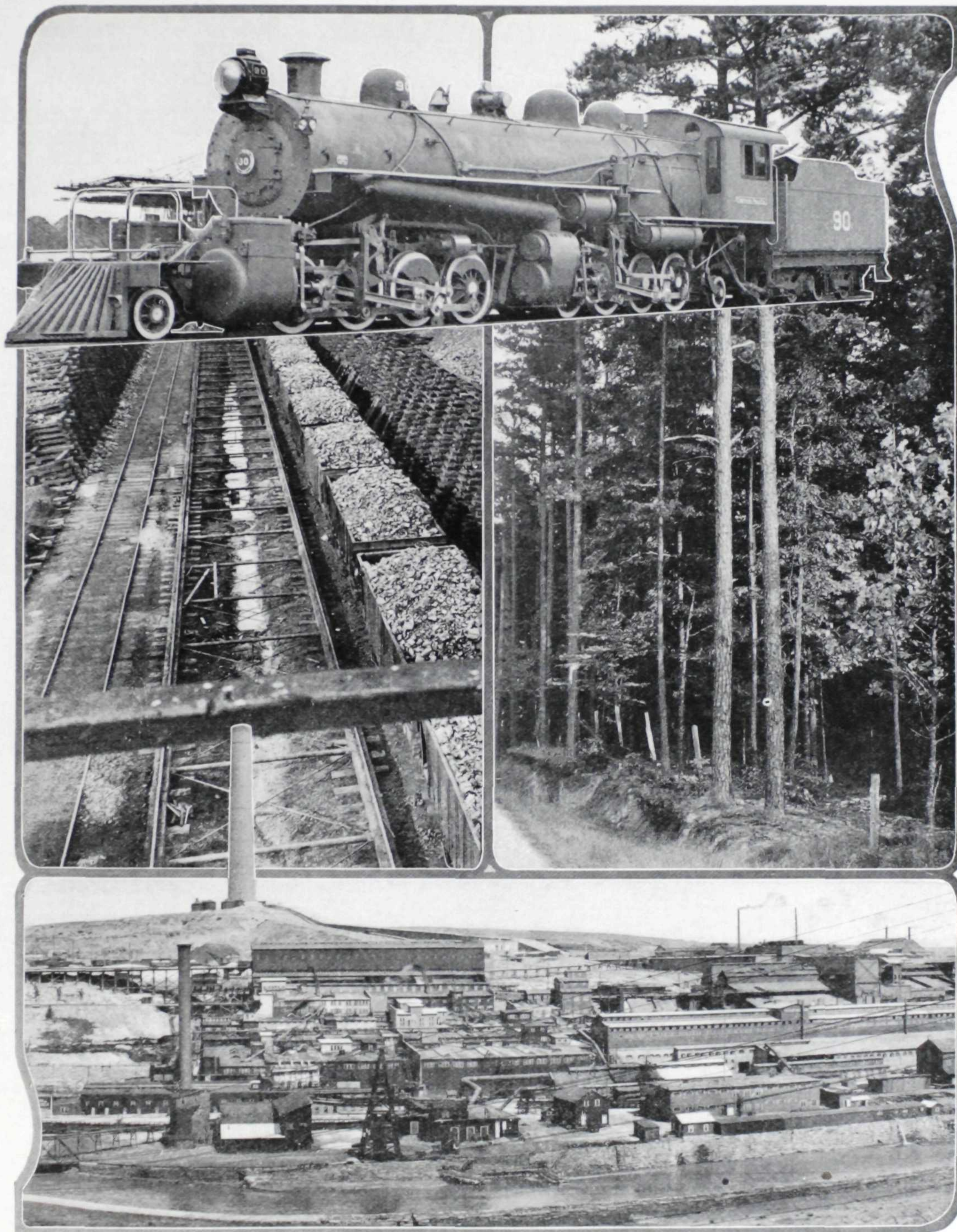
power, British merchants relied largely upon their banking connections, the merchant marine, British investments, and a specialized knowledge of foreign customs, demands, and markets to bring them the orders which they desired. They neglected their selling organizations. In recent years, however, steps have been taken to correct this defect in their foreign business. Export merchant houses and combinations among manufacturers have developed. In 1914 a powerful and well-organized corporation was formed known as the "Representation for British Manufacturers, Limited."

#### Germany's Selling Combinations

IN no country has industrial development been more effective and more important than in Germany. Particularly after her unification her leaders realized the importance of developing the foreign trade of their country. In a systematic way they took definite steps to accomplish it. The central idea underlying their methods was that of cooperation and efficiency in selling, coupled with the science of good management. A merchant marine was rapidly developed, foreign banking connections were built up, and money was invested in foreign enterprises.

Their real triumph, however, came in coordinating the various financial, transportation, and industrial interests of their country into effective selling machines. The "cartel"





**A** GRAPHIC illustration of how the magic of foreign trade brings together the interests of people thousands of miles apart. The American Locomotive Company of New York built this engine for the Peninsula Railway of Brazil. In it are northern ore, southern woods and western copper. Through international exchange, Brazilian wealth in payment for the order, found its way to New York, and thence into the pockets of Georgia lumbermen, miners in Minnesota and smelter workers in Montana.



attention of Japanese business men to the advantages of systematic cooperation as a means for developing foreign trade. The leading manufacturers and exporters of Japan were quick to recognize the merits of the new plan, and with the vigorous backing of their government immediately began to coordinate their resources and to shape the foreign trade policy of Japan along the lines so successfully pursued by other countries.

The remarkable expansion of the Japanese merchant marine during the past decade is an example of what a constructive national foreign trade policy can accomplish if backed by the concerted assistance of the industrial and commercial forces of a modern progressive nation.

A few particular industries will be taken in order to illustrate the scope of cooperation. It has been said that the iron trade of the world belongs to that country which produces pig iron the most cheaply. This does not follow, however, unless the organization for production and selling is as effective in that country as in the countries with which it competes.

#### Organizing Germany's Steel Industry

THE steel syndicate in Germany is a marvel of cooperation. It was organized in 1904 and practically monopolizes the production and distribution of semi-manufactured steel products in Germany. It includes thirty-one companies. Each member of the combination has a quota allotted to him, based on the amount of crude steel originally allotted to him by the agreement. The syndicate has established an extremely low selling cost. By a uniform system of cost accounting and standardization of products, as well as by model business management in general, unnecessary waste has been virtually eliminated in production and distribution.

About the steel syndicate has been grouped a number of allied combinations, such as dealers' organizations, manufacturers' associations, cartels in other industries and competitors in foreign countries. It is generally conceded that the steel syndicate has been one of the most important factors in German export trade during the past decade. Quite recently a plan has been worked out that will render possible the organization of a German steel alliance, which is to combine all products of the entire steel and iron industries of Germany.

The export business of the steel syndicate is handled exclusively by a common export agency at Dusseldorf, which is considered one of the most efficiently organized of all cartel export agencies. It fixes prices, allots orders to the different plants—with due consideration of their geographical location, special adaptability to certain lines, etc.—and systematically promotes and regulates the whole export business.

#### An Opportunity for Our Coal Trade

ONE of the fields in which American export trade might be developed is in the coal industry. Great Britain, however, has had up till now a firm hold upon this trade. Large and powerful combinations such as the Cambrian Coal Combine and Cary Bros. & Co., Ltd., have built up in foreign parts secure bases for marketing British coal. Foreign offices are maintained in all important ports. The Federal Trade Commission's Report on Cooperation in American Export Trade, vol. I; pp. 339-340, has the following to say upon this subject:

"Control of transportation, docking, storage, and distributing facilities by Great Britain.—The Consolidated Cambrian, Ltd., described

above, is affiliated with ship lines to South America and distributing companies in South American ports as a part of its export business. The large English railway companies in Argentina have their own coal fleets coming directly from England. Most of the British coal dealers in South America are interested in British mines and own their own vessels.

"England's extensive merchant marine is a two-fold factor in its export of coal. British vessels plying direct between Wales and South America provide a rapid and regular service and a favorable freight rate to such English exporters of coal as do not own colliers. Of more importance, though, is the fact that the great movement of British-owned shipping to and from South American ports has necessitated large coaling stations for general cargo and passenger steamers. Most of the docks and coal handling facilities in South American ports are controlled by English companies who have long had the business of bunkering English ships at ports of call all over the world. The intimate relation between the bunkering trade for English ships and the export of coal to different countries for consumption within those countries is one of the most important causes of the success of Great Britain in obtaining and keeping the coal trade of Latin America.

"The extent to which this elaborate British mechanism for coal trading in South America is dependent on the combination or interrelation of like and complementary units is self-evident. The size of companies like the Consolidated Cambrian makes possible the control of colliers, docks, storage facilities, distributing agencies, etc. The interrelation of miner, broker, ship-owner, bunkering agent, dealer, and foreign consumer gives the combination the advantage of rebates, concessions, cooperations, conveniences, singleness of policy, etc."

Disadvantages which American business men are subjected to by their lack of cooperation are perhaps revealed more clearly when they come in contact with combinations of foreign buyers. This is illustrated by the difficulties which surround cooperative buying of silver and copper in the United States. The price of silver is established by the "Fixing Board" of the London Metal Exchange. This is also true of copper. American producers are played one against the other by foreign buyers, and it is said that in the case of copper the price paid by the foreigner is 83-100 of a cent per lb. less than is paid by the domestic buyer for copper delivered in New York.

#### Necessity Forcing Us to Cooperation

ONE of the basic economic effects of the war about which we may speak with some confidence is that it will increase cooperation. It certainly will not force the nations of Europe back into the antiquated and outworn methods of individualized industry.

Necessity has forced Germany, England and the other warring countries to coordinate their industrial forces and has led the governments themselves to participate actively in production and distribution. Efficiency and cooperation have been recognized as of public and national concern. Peoples have realized that their security depends not merely upon their armies and their navies, but upon the ability of their industries to produce munitions of war and commodities for home consumption. Cooperation is even suggested among international groups. European peoples are learning the art of cooperation, and in the long run it will help to compensate for the economic loss which they are now suffering in war.

The logic of these facts is clear. If we are to obtain our share of foreign commerce, we must permit our business men to equip themselves with means for meeting the national competition which they will inevitably meet in foreign markets. We cannot send them forth individually to engage in commercial

battle with the consolidated and trained forces of their European and other competitors. We can insist that they shall endeavor to compete with one another in the domestic market, but at the same time we must say that they may cooperate and combine for the purpose of selling their goods in foreign markets.

**EDITOR'S NOTE:** This is the first of a series of four articles on foreign trade by Mr. Culbertson. The second—showing the effect of the Sherman Law on our International business—will appear in the January issue.

#### German Business Methods in Turkey

METHODS used by German business in its commercial penetration of Turkey are described and criticised in a bulletin entitled "Turkish Markets for American Hardware," issued recently by the Bureau of Foreign and Domestic Commerce, Department of Commerce.

German endeavors in this field, says the report, have been determined and adroit. Systematic dumping, extensive imitation of patented American articles, and a persistent and carefully organized solicitation of the trade have been salient features in the German campaign to dominate the Turkish markets and link them firmly to the industrial activities of the Teutonic nations.

As is the case with various other important lines, American hardware has not as a rule been sold directly to the Turkish distributor. In normal times it is sold through a few firms in Hamburg and Bremen. These concerns have houses in New York, but it is erroneous to consider them as American export organizations. They are German jobbers, working according to German methods and for German interests. They ship American articles to Turkey only if they can not be replaced on the same terms by German articles. Under such conditions it is an easy matter to market imitations of American goods, and the Germans are master imitators, according to the author of the Government report, Consul General G. B. Ravndal, formerly at Constantinople. Sometimes their catalogues show American articles on one page and the German imitation on the opposite page, with the advantages of price, quick delivery, etc., of the German goods conspicuously indicated.

These imitations are very close, proceeding even to the brand and name of the article, and there is always a reduction in price. That the Germans keep the American article in the catalogues at all must be ascribed to the fact that there are people in Turkey who appreciate the excellence of the American product, in spite of all manipulations and deceptions, and insist on having what they want.

It is surprising to learn that in spite of conditions under which it is sold in Turkey, American hardware had gained an important position before the war, solely on its merits. It may be surprising even to American manufacturers, many of whom are probably unaware that their goods are sold there at all. Of all the shelf hardware sold in Turkey, fully 60 per cent is sold as American, and 20 per cent of it actually is American. The holding of 20 per cent of a country's business in a given line without the least effort to obtain it, is a fact that commends itself to the careful consideration of all those whose wares are involved. The possibilities to which such conditions point when the war is over are fully discussed in the report.

The author has outlined practical methods of getting around the old difficulties in the way of selling directly to Turkey, once the war is over, and he has described the demand for the various articles in detail.



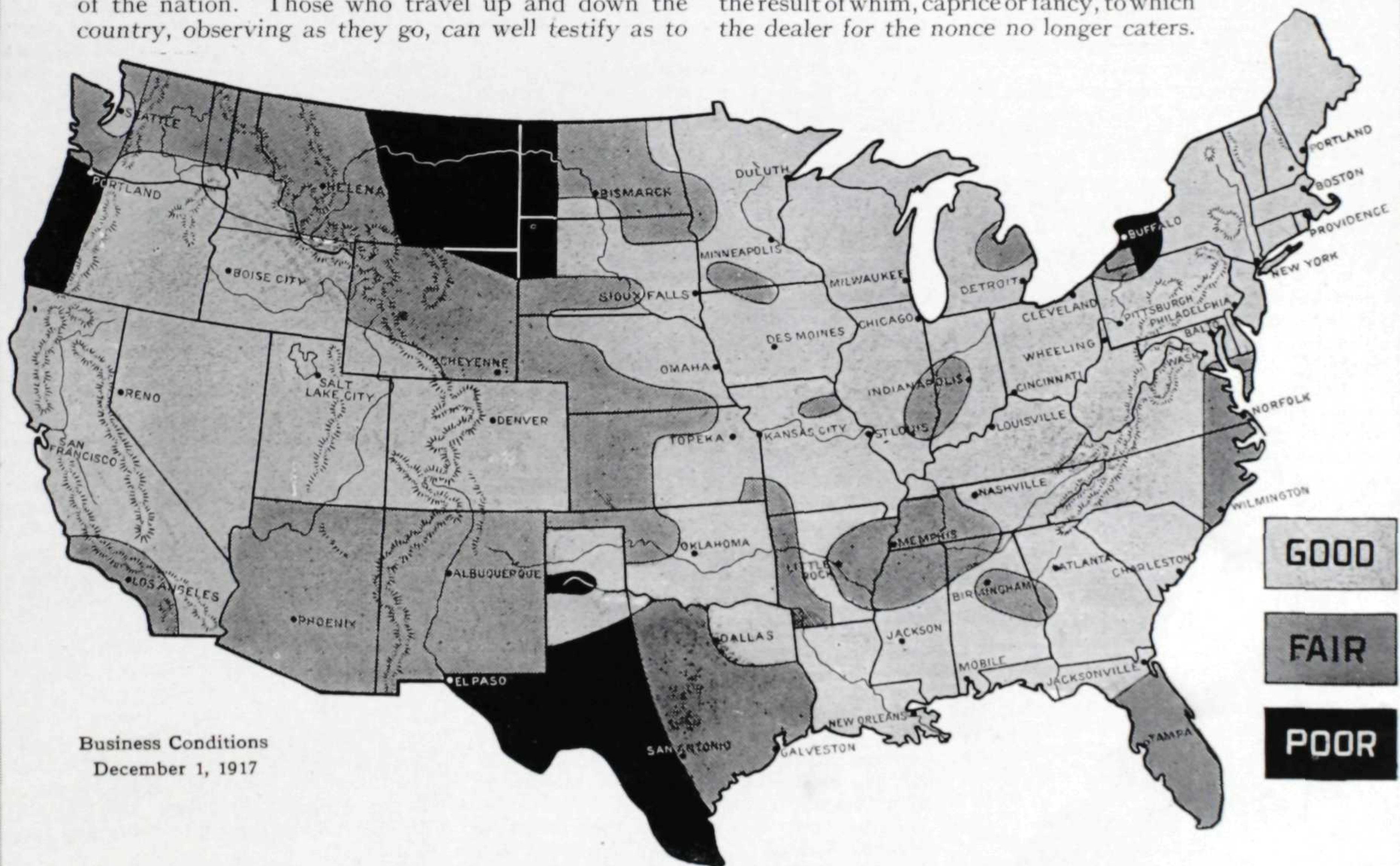
# America Patches and Re-Soles as War Drives Her Back to the Realities

By ARCHER WALL DOUGLAS

**A**S WE ENTER upon the second period of war, there is a growing realization of the serious work which lies ahead, and the sacrifices which success inevitably entails.

The tangible evidence of the reality of this impression among all sorts and conditions of men is found not only in the successful flotation of the second issue of Liberty Bonds, but in the steadily increasing voluntary participation in Government work through all parts of the nation. Those who travel up and down the country, observing as they go, can well testify as to

universal habit continue to be used as extensively as ever, not because they are in any way essential, but simply because they are hard to give up. One form of curtailment is only partial and consists of the adoption of less expensive substitutes, which seem to serve our purpose, for things of higher cost. This practise is very general, and is also spreading in an altered fashion to the lessened use of many small non-essentials in commercial life, which were inherently the result of whim, caprice or fancy, to which the dealer for the nonce no longer caters.



how widespread is this patriotic endeavor, despite the Pharisaical spirit of the Bobby Burns type of the "Unco guid," who vainly imagine that some one section has greater perception and greater performance of duty than the others.

There is no drastic general economy anywhere, for paradoxically enough the multitudinous many are both spending more and saving more than usual. Bank deposits continue heavy despite the great buying of the Liberty Bonds, for as a matter of fact much of the money for this purpose came from stockings and similar hiding places. There is however, a curtailment in the use and purchase of unessentials and luxuries.

Of course no general agreement exists as to what constitutes luxuries, though the present impulse and understanding classes them as things that may contribute to our comfort, but not to our well-being. The human nature side of it is that some articles of

This return to the realities of life also is placing its ban upon the use of many articles of food and drink, of raiment, of service in many forms—products of an artificial society which sought show and pretense at the expense of common sense and utility. In a homely manner there is much mending of shoes and garments, rather than buying new ones, and likewise much purchasing of extra parts and repairs instead of new machines and implements.

The retail trade, the best barometer of the times, has indicated the situation by still purchasing what it needs in the way of staples, but going somewhat slow on non-essentials and odds and ends of all description. This trade likewise differentiates sharply in the purchase of "futures" of goods to be used in the spring and summer.

The retailers evidently figure that there will be a normal demand for all farm (continued on page 36)



# What's Ahead of Congress

The Speaker of the House Tells of Measures That Are to Come Before the Second War Session and Prophecies as to Their Fate

By CHAMP CLARK

**A**NOTHER session of a war Congress is upon us.

Like the rest of the country, Congress will do its utmost to promote the patriotic purpose of winning the war. The programme which the long special session—the Congress which declared war, decided on conscription, and faced untold financial problems—must go on to completion. And Congress will go at those problems filled with the same patriotism and desire to aid as animates the body of our citizens.

We must supply money and materials to the men who bear the brunt of the fighting. We must decide on a wise policy of taxation. We must add to the efficiency of our armies, must hearten the soldiers who do the nation's fighting, and reassure the families they leave at home. If I were asked to state our work briefly, I would say: war appropriations, war taxation, war legislation.

A period of unexampled taxation is upon us. It takes no philosopher to see that. We must spend our blood and we must spend our money to bring this war to a successful conclusion; and the country which does not flinch from giving its men will scarcely be stampeded over an increase in taxation. Moreover, it is doubtless true that the taxes which the present Congress will be called on to levy will be considerably less than the \$21,000,000,000 total which the last session approved. In my opinion, never from now until the day of Judgment will a parliament approve such mighty expenditures.

Remember that the ships we build, the coast fortifications we authorize, the training cantonments

and camps for our men, and much of the war equipment we furnish them is permanent in character. They were provided for in the appropriations of the last session, and the items will not need to be duplicated.

Nevertheless, the task we face is staggering. There is first the routine work of considering the fourteen great appropriation bills which provide funds to conduct the government. In short sessions, they are passed hurriedly because there simply is not time in which to give them proper consideration. The coming session is of the long variety, and members without doubt will wish to assure themselves of the details of each one. That means time.

Two great bills have ordinarily come up in the past few congresses which their opponents denominate as "pork" bills. These are the omnibus appropriation measures which provide money for the public buildings of the country and for the improvement of its rivers and harbors. If I were to hazard a guess, I would say that the coming session will see no general public buildings bill. There will, of course, be appropriations to finish buildings already begun.

## As to Rivers and Railroads

**I**MPROVEMENT of inland waterways is quite another matter. Any man who travels about the country at all must come to one of three conclusions: the present railroads must be double-tracked, or we must have new railroads, or we must develop the neutral resources of our matchless rivers. Personally, I look for a revival of vast freight-carrying on our waterways. That's much cheaper than building new railroads or double-tracking what we now have.

My own state gives an example of direct business advantage to be gained. A barge line has been established on the Mississippi River from St. Louis to the Falls of St. Anthony, the operation of this becoming possible because of certain dredgings and dams by the federal government. Up the river go great loads of coal from the fields of Missouri and Illinois.

Downstream come equal loads of iron ore from the

Mesaba range, hauled from the mines to St. Paul by an easy rail route.

It is an ideal transportation situation. The great fuelless northwest offers a most advantageous market for the coal. With the iron ore cheap, St. Louis again can revive its iron and steel industry, for limestone and coal are near. There is a guaranteed capacity load for the barge each way, there is inexpensive equipment and operation, and there is a market established which guarantees the permanency of the business. What sounder business proposition was ever put to Congress?

## Sidetracked for War Freights

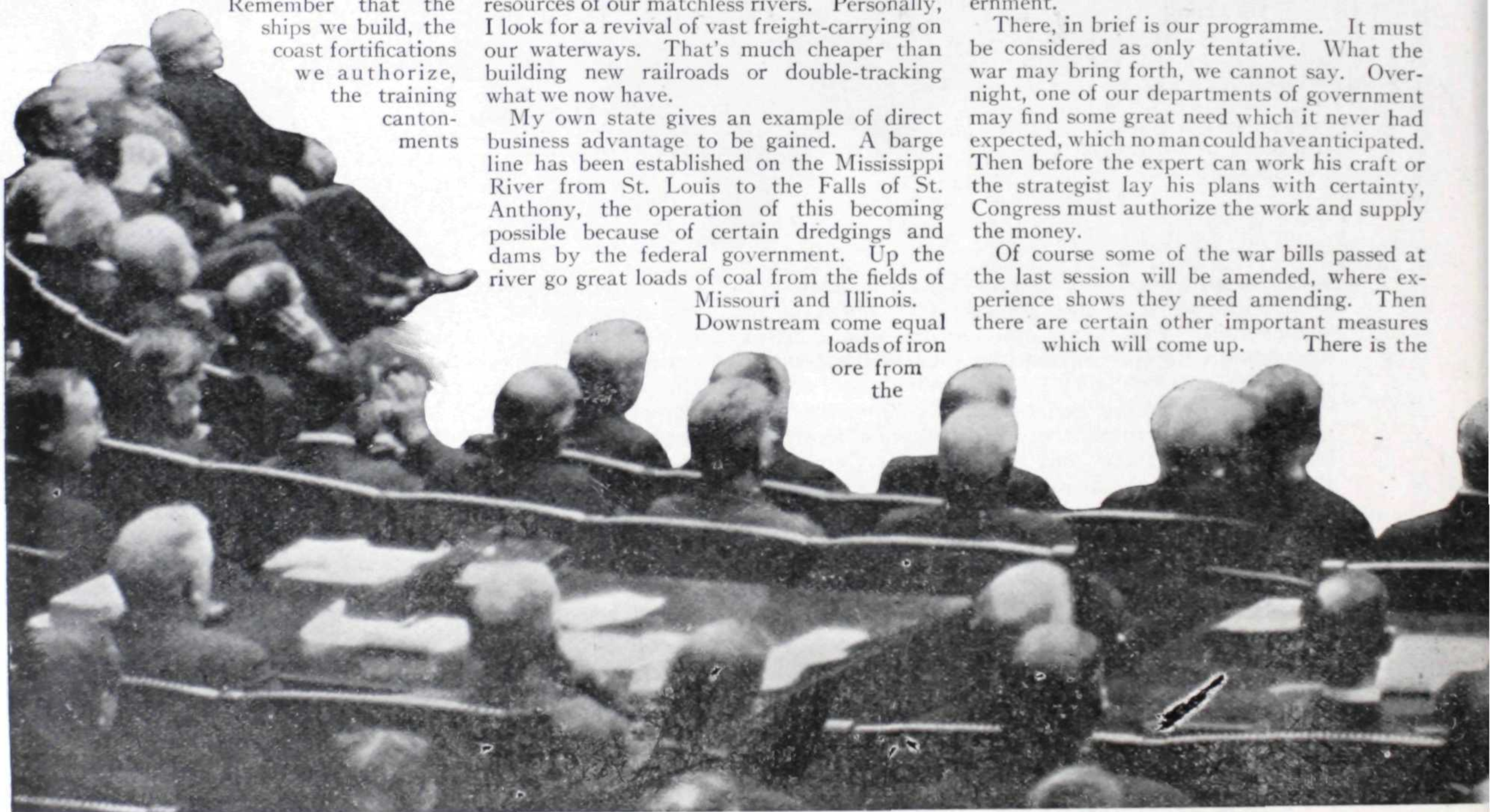
**R**AILROADS cannot now handle this situation. You can scarcely ride on a train that isn't late. It is literally true that passenger trains are sidetracked to let the war-freight go by.

Two great non-war measures come before us—suffrage for women and prohibition.

My belief is that not more than a single day will be devoted to either. Why should it? There is not a man living who can contribute one new thought in a debate on either subject. The mind of each member of Congress is made up on them. The most that their backers want is a vote on them. Both are before Congress in the form of proposed constitutional amendments. Their success will mean the beginning of a fight to line up three-fourths of the various states to approve them as part of the fundamental law of our government.

There, in brief is our programme. It must be considered as only tentative. What the war may bring forth, we cannot say. Overnight, one of our departments of government may find some great need which it never had expected, which no man could have anticipated. Then before the expert can work his craft or the strategist lay his plans with certainty, Congress must authorize the work and supply the money.

Of course some of the war bills passed at the last session will be amended, where experience shows they need amending. Then there are certain other important measures which will come up. There is the





Civil Rights Bill, designed to extend protection to persons in the military service in order to prevent prejudice or injury to their civil rights during their service with the armed forces; and some not of the war class, such as the following:

The Daylight Saving Bill, which has already passed the Senate and is now before the House Committee on Interstate and Foreign Commerce. Other measures of similar purpose are also pending before the House Committee on the Judiciary, a bill by Mr. Borland and one by Mr. Carlen, of Virginia.

The regulation of water power on the public domain and on navigable streams. Legislation of this sort has passed the House in earlier Congresses and during the 64th Congress, a bill for the regulation of water powers on navigable streams passed both the House and Senate only to become deadlocked in conference, principally, it is understood, on

system of leases and royalties through the Secretary of the Interior. Bills for legislation of this sort have already passed the House, and in the last session of Congress had advanced to a place on the Senate calendar when the session closed.

The Webb bill, providing for cooperation in export trade, after twice passing the House, is now the unfinished business in the Senate. This bill was reported from the Senate Committee on Interstate Commerce during the last session, and after being called up in the Senate and discussed on one or two occasions during the "morning hour" was finally, shortly before the close of

a statement of principles on the "Sinews of War," in which it recommends the coordination of price fixing and taxation with the maintenance of foreign trade, so as to stimulate production, insure uninterrupted supplies, maintain national credit and provide a steady source of war funds.

In the arbitrary fixing of prices by the Government, profits should be estimated upon the highest normal cost of production instead of upon some lower cost made possible by larger investment, broader experience, superior methods, or any other cause tending to improve the efficiency of production. This method, it is true, will result in conferring the advantage of higher profits upon the concern producing most cheaply, but this can be neutralized by the application of an intelligent plan of profit taxation.

**H**IGH production, not low prices, should be the controlling consideration. If the final determination of the war is to be measured to any considerable extent by the relative economic power of the belligerents—since it will be so measured—the existence of the things which money can buy will be of far greater importance than the possession of money itself.

The Government, in exercising the power of price fixing and profit taxation, should proceed with particular reference to our national interest in foreign markets. Only in recent years has the general attention of the country been directed to the extreme desirability of development in this direction, yet the total of our foreign trade, apart from the vast increase due to war, runs into astonishingly large figures.

Just what national business condition the war will leave with us is at present a matter of speculation only, but in any event, whether this condition be favorable or unfavorable, the place which foreign trade will occupy in our economic situation of the future will be one of constantly increasing importance.

In the foreign market, competition is sharp and merciless. No national consideration operates in our favor, and our success in meeting the competition of other nations will depend upon our ability to lay down a particular product more cheaply than they. If the conditions surrounding production are not normal, if producers are hampered and embarrassed by arbitrary regulations based upon expediency rather than upon sound scientific principles of economics, the future of our foreign trade becomes exceedingly uncertain, and even its present value in contributing to winning the war will be materially diminished.

The relation between price fixing, taxation and stimulation of production is most intimate, and it is absolutely essential that the Government recognize this fact.

account of the inability of the Conference Committee to agree upon the form of control which should be exercised, whether by special act of Congress for each individual application or a blanket permission to the Secretary of War to grant applications made to him.

This legislation purposes to increase the diversion of water from Niagara Falls to be used for power purposes. The legislation providing for this has heretofore been of a temporary character running from year to year. It has not been necessary heretofore to use the full amount of diversion authorized, 20,000 cubic feet per second, as the difference has been supplied by Canadian companies. An embargo upon the supply of power to American firms by the Canadian government has made it necessary to use the maximum diversion provided to assure power for American firms.

Bills are pending in both the House and the Senate for the development of deposits of coal, oil, gas, potash, and phosphate on the public lands under a

the session, made the unfinished business. This means that in the usual course it will come before the Senate directly after the disposition of routine morning business when the session opens in December.

The bill to increase the number of judges in the District of Columbia, and perhaps the suffrage question for the District will demand attention. Then there will be the usual grist of what the members denominate "chicken feed bills." Never worry about our not having plenty to do.

### Price Fixing, Taxation, and Foreign Trade

**T**HE Part of Foreign Trade in Winning the War" will be the central theme of discussion at the Fifth National Foreign Trade Convention, which will meet in Cincinnati February 7, 8 and 9, 1918.

The National Foreign Trade Council, under the auspices of which the convention will be held, has just issued

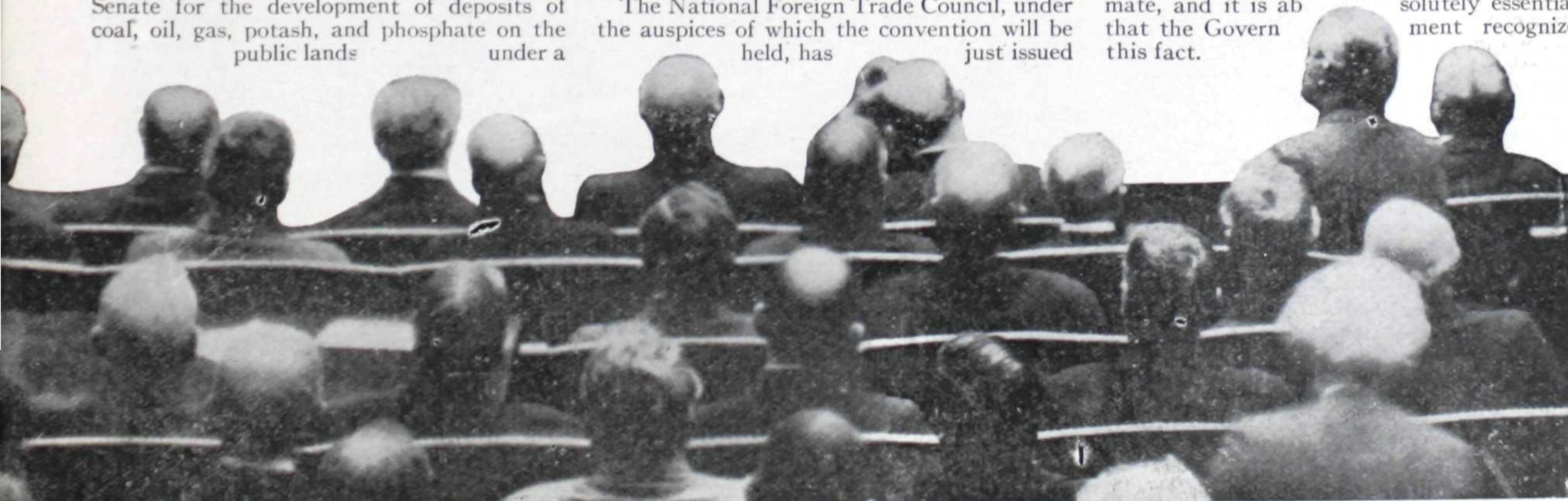


PHOTO OF CHAMP CLARK, COURTESY HEARST'S MAGAZINE



# Clearing The Track For Peace

Although They Are Now Pounding Along Under Every Ounce of Steam, the Railroad Men Still Have Time To Plan Against the Threats of a Hazardous Reconstruction Period

By EDWARD HUNGERFORD

WAR found us a nation unprepared. Will the peace that follows find us equally unprepared for it? It is recognized that nowhere in the civilized world will economic and commercial conditions be the same in the peace that follows the Great War as they were in the peace that preceded it. Life itself will be changed. Commerce will be altered. It will follow new pathways. And nowhere will there be larger changes than within the business of transportation. The railroads within that business will be called upon to meet many new responsibilities; they will have a host of opportunities for development. Will they be able to meet these?

Do not ask this question of any experienced railroader. It is an old story to him. He will only call your attention to a statement made by the late James J. Hill—only a few years before his death.

Mr. Hill said that, in his opinion, the railroads would need at least half a billion dollars a year to keep pace with even the normal increases in the traffic offered them. A little later he altered that statement; and with the fine precision that was so characteristic of the man he said that the railroads of the United States would need at least \$1,100,000 annually to keep their lines apace with the steadily developing business of the nation. And that was a long time before we had entered upon the Great War; before men were realizing that the United States was one of the very greatest commercial factors in all the world; and were planning a development of its industrial resources, not only to meet the exigencies of the great conflict but, in the hard and thoughtful years to follow, to help pay for the prodigious expenses which it is entailing.

It has been estimated that in recent years the United States has had an annual credit balance of about \$5,000,000,000 between its income and its outgo. That in the years of the immediate future will hardly serve to pay the cost of the war. To pay that cost the nation will be compelled to speed up its industrial production. And it goes without saying that there can be no increase in industrial production without an equal speeding-up of transportation facilities; without which even the biggest of our industrial plants could hardly continue for six days. The most of them are dependent upon the railroad not only to take away their finished products but also for the fuel and the raw material which is used to fabricate them.

## Stacks of Hopeful Blueprints

NO one knows these things better than the railroader. And there are few instances where he has lacked the vision to see these things and to plan to meet them. The engineering offices of all of our large roads are packed with blueprints of projected improvements; their shelves hold many plans for the improvement and enlargement of terminals and main-stems as well as for the projection of branch lines and feeders into sections of the

land which are railroad hungry and which offer fascinating possibilities for development.

The railroader knows these things. But, knowing them, is helpless. For it takes more than blueprints or specifications to build new terminals or other additions to existing plants; it takes not only men but dollars, and many, many of them. And the railroader knows that even though he might manage to obtain labor, his official credit is not good. He is not a favored borrower. The doors of the great banks open very cautiously indeed to him. They do not seek him.

## If They Had the Money

YET the opportunity remains. Take for a single instance, the question of the electrification of the existing standard steam roads. It seemingly was not so very long ago that the Baltimore & Ohio drove a long connecting tunnel under the city from which it derives its name and much of its prestige and found that it could have both a clean and a profitable operation by the use of electric locomotives within the tunnel. Yet that was more than twenty years ago and it is scarcely five years since the greatest and most famous of American tunnels—the five-mile Hoosac in Western Massachusetts—was finally adapted to electric operation.

The railroader is conservative. He is not always quick to see new ideas. But once he does see them and is convinced of their worth he puts the full force of his faith and energy behind them. In that he is almost traditional.

Between the electrification of the Baltimore and the Hoosac tunnels there have been many others—the Cascade of the Northern Pacific up in the extreme Northwest, the twin tubes that carry the Michigan Central under the river at Detroit and the even earlier bore of the Grand Trunk, only a few miles further to the north; and last, but decidedly not least, the several tubes that carry the Pennsylvania railroad under the Hudson and the East rivers at the City of New York. These last are, of course, much more than a mere tunnel electrification; they are a part of the electrification of the passenger terminal and suburban service of not only the Pennsylvania at New York, but its busy subsidiary, the Long Island Railroad.

Yet the electrical equipment of the Pennsylvania terminal, huge as it is, is overshadowed by that of the Grand Central Station—the New York terminal of the New York Central and the New York, New Haven & Hartford railroads. At the new Grand Central—perhaps to-day the most important railroad gateway in all the world—much more has been done than the mere shifting of its trains from steam to electric propulsion; a far-flung eyesore of a black railroad yard has been roofed over and covered with not merely an orderly plan of city streets but great buildings as well. The new Grand Central is an economic triumph as well as an architectural one. It restores to a metropolitan city whole city

squares and at the place where the relief is most needed.

Yet a similar need exists in Boston and can be solved in an exactly similar fashion. And Chicago has long been planning for the electrification of her terminals. The Illinois Central has plans for the electric equipment of its Chicago gateway which will not only provide a fine new passenger station but also give the city many miles of new and unsullied lakefront park.

The Illinois Central is one of the few roads which this year are able to finance a terminal project of great size; but it has decided that in this particular case it is at present impracticable from an operating point of view; because the vast interchange of traffic at Chicago calls for a single mode of propulsion by all the roads entering there. Yet the opportunity continues to exist, and apparently must be met in the near future by the far greater project of having all of the many roads entering there electrify their terminals—a scheme embodying vast expense, of course.

The electrification of steam railroads does not end at terminals; it may be quite truly said that it has its beginnings there. The great possibilities of the thing in the open country is shown in its largest way out in the Northwest—upon the Chicago, Milwaukee & St. Paul system which, having transformed 440 miles of its main line across the Rockies from steam to electric propulsion is now doing the same with almost an equal mileage across the Cascades and the state of Washington.

By an ingenious mechanical system, in which the motors of a train descending the grades of these mountain ranges are instantly transformed into dynamos, current is actually returned into the trolley-wires and a vast economy made, as well as bringing the brakes into use only in extreme emergencies.

"Regenerative braking" is the term the engineers use for this sort of thing; it is entirely new and bids fair to be universally adopted. One can hardly imagine a steam-hauled freight-train merely because it happened to be going down hill returning sixty-five per cent of its coal to the company's bunkers. Yet that is what the Milwaukee's electric-hauled freight-trains are to-day doing; a triumph which in my mind is secondary only to the invention of the air-brake itself.

## Electricity Comes High

THE example of the Milwaukee has not been lost. A large eastern coal road—the Norfolk & Western—famed for extremely conservative management—has substituted the electric locomotive for the steam across the Alleghenies in Virginia. Two of its competitors are preparing to follow its example.

But electrification is no cheap sport—not even when the world comes rolling out of its industrial topsy-turvy and into peace once again. An electric locomotive costs at least three times as much as a steam locomotive of the same hauling capacity. And the rest of the installation is in proportion. The saving





**C**LIPPER ships, fire horses, spinning wheels and many another fond property of romance have served their useful days only to be scrapped with deep and lasting regret. The wonderful steam locomotive bids fair to join them finally in the twilight land of the dodo bird. And the ugly electric motor is the villain of the piece. The C. M. and St. P. motors that pull cars through the mountains, become dynamos while running on the down grade and return into the wires power that helps run other trains on the line. Imagine a freight locomotive putting back into the company bunkers 65 per cent of its burned coal!



is in operation—in the utilization of water-power, particularly in districts remote from fuel supply and in the regenerative braking such as we have just seen—rather than in first costs, which are high. To gain the operating saving a large initial cost is necessary. And this means money—and a great deal of it.

Many operating economies apart from electrification require huge initial expenditures. The tremendous work of the revision of line—the reduction of grades and the ironing out of sharp curves—which has been undertaken by the railroads of the United States during the past two decades, has resulted in huge operating savings. In fact it is only by work of this sort that a number of lines have been enabled to use locomotives and cars of a large enough carrying capacity to be really efficient or economical. But it takes a great deal of money to relocate and to rebuild a railroad; particularly through a mountainous or even a rolling, hilly country. It is marvelously fine engineering, the greater part of it. But marvelously fine engineering requires a generous and an elastic purse.

#### Tracks For More Traffic

**T**his problem of line relocation and revision is by no means worked out as yet. On some lines the greatest part of the work still remains undone. The largest operating economies are yet to be effected.

Apart from operating economies, there remains the even greater necessity of having

the railroads ready to handle the vastly greater traffic that America awakened industrially is ready to give to them. They are not now ready. They need new terminals, additional trackage, both in the form of main-line tracks and sidings, yards, shops, physical equipment of every sort. Last month we called attention to the immediate necessities of our carriers for both cars and locomotives—the difficulties which they were having in getting these. Yet cars and locomotives in any increased number sufficient to be of any real relief to the situation—even if the railroads were able to get labor and money to procure them to-morrow—would be of little avail without the proper trackage upon which to operate them.

Any practical railroader knows that a stretch of line may be filled with trains effectively up to a given and fairly exact point of saturation; beyond that more trains merely congest and delay operation. So, to effect any real relief to the present critical condition we must have not only cars and locomotives but additional tracks, yards and terminals—in great quantity. And, as we already have seen, these must not be provided merely for extreme transportation needs but for the vastly increased traffic that is to be poured upon our carriers for the many years of peace which are to follow. This is an essential part of the peace preparedness to which we referred at the beginning of this article.

Yet important as all this is; it is *not* the most important part of the track problem at this time.

Last month's  
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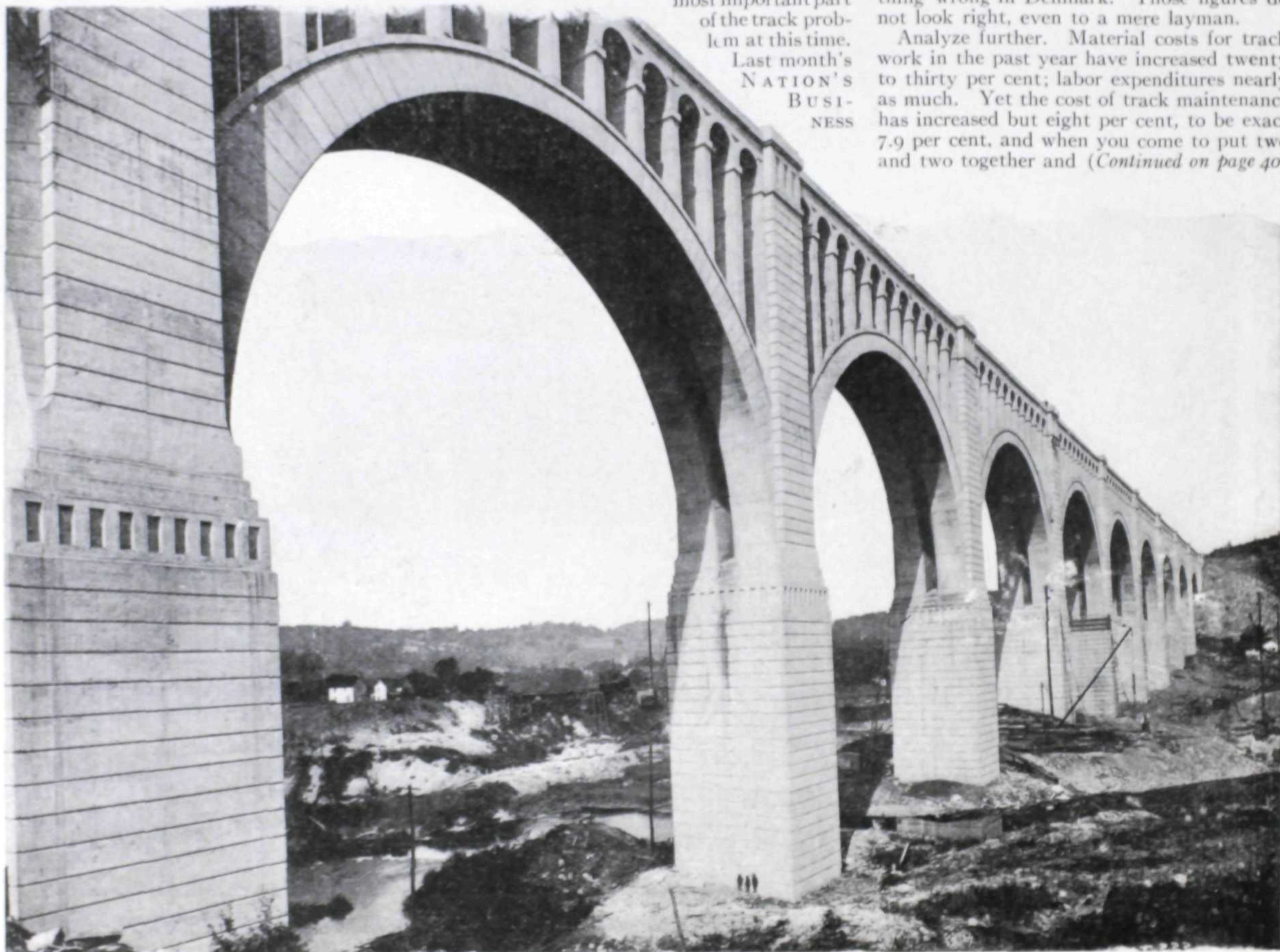
carried the information that the railroads of the United States were short at this time 80,000 track-workers. This is a situation not merely critical, but to a degree, alarming. Forget for a moment the future needs or even the present ones for the railroads to extend their track facilities.

The immediate problem which confronts them is that of maintaining their lines up to the necessary margin of safety and then a little distance at least beyond that point. It is a topic upon which the average railroader—even the frankest of them—is hesitant to speak. For a writer to ask one of them to talk on this subject is much like asking a man if it is true that the plumbing in his house is out of order or if he really did swindle his brother-in-law.

#### What the Figures Say

**Y**ET one may have access to figures. And figures talk. And in this question of track maintenance they talk most impressively. The traffic of our railroads in the first six months of 1917 exceeded the traffic of the same six months of 1916—which you will remember as a tremendous year for our carriers—by more than fifteen per cent. In that same time the expenses of operating their trains increased some twenty-six per cent. But the expenses of maintaining their tracks increased but a mere eight per cent. Make note of that. There must be something wrong in Denmark. Those figures do not look right, even to a mere layman.

Analyze further. Material costs for track work in the past year have increased twenty to thirty per cent; labor expenditures nearly as much. Yet the cost of track maintenance has increased but eight per cent, to be exact 7.9 per cent, and when you come to put two and two together and (Continued on page 40)



The Lackawanna Railroad spent \$12,000,000 on the Tunkhannock Viaduct to save 20 minutes in the running time between New York and Buffalo. The spans are concrete, forming a bridge of 2,375 feet. This engineering work represents one of many fortunes spent by American railroads to improve and shorten their roadbeds. The part played by such factors in conserving rolling stock and saving time is often overlooked. This viaduct corrects the grade at this point to such an extent that two engines can handle a train that formerly required five.



# On Making It Read "~~Non~~-Essential"

## American Industries Will Shift Over in Orderly Fashion, Holding Their Fate in Their Own Hands, Says the Government

By JOHN MARTIN

**S**HIFTING over from the arts of peace to the industrial activities that support the immensity of modern war involves some difficulties.

Our programme for this shifting has made some real progress, as many a community can testify, but the advance has come largely through the initiative of industrial managers themselves. They have often found opportunity to devote their plants to the multitudinous arts of war. This sort of transition may occur in some industries with no more dislocation of organization and waste of effort than if the change were from one job to another—always provided there is not a distributing organization to be taken into the reckoning or other industries waiting for the products as their supplies for further fabrication.

How far curtailment in supplies and labor may become necessary for any industries that do not "shift over," and which do not find their products useful for any of the direct and indirect purposes of war, is with us very largely a secret of the future. To be sure, the railroads' war board announced on November 15 that they had placed before Judge Lovett and Dr. Garfield,—respectively the delegates of the President's powers over priority in transportation and supplies of coal,—lists of articles which these officials had requested. In one list were 450 articles which, in the opinion of the railway presidents, could be denied transportation without any considerable inconvenience to the consuming public and in the other list some 75 articles with which the consuming public might dispense, but not without inconvenience. Two days later the director of transportation priorities disavowed any present intention to use the lists, intimating that the question in any event would be for the Fuel Administrator, in connection with the coal supply; the Fuel Administrator said that, if every one will turn to and do his share toward saving 50,000,000 tons of coal, limitation might not be necessary upon production of non-war articles.

**I**N England the industrial effects of war have been operative for three years. There are restrictions upon the labor which may be engaged to work upon some articles and at the same time men have been "combed out" to serve with the colors; twenty-four per cent of the men at work on the railways in 1914 are said to have joined the colors. Loss of men has in part been met through "dilution of labor,"—i. e., substitution of women and minors. When military needs have approached the maximum of supplies there has been allocation of quantities available, frequently with none left over for some manufactures. Even the paper that can be used

for advertising has decided limitations; posters have to be cut to government size, and advertising circulars since August 20 cannot exceed one-third of those put out last year.

The effects have been diverse. In some directions they have led to combinations. The milk dealers of London, for example, faced

the jewelry trade as such is described as a "shadow of its former self," even the firms which continue in it are discovering that the government encourages their operation for export, exactly as it has encouraged mills making woolen dress goods to make their foreign sales abroad as large as possible, in order that merchandise may take the place of an equivalent in gold in paying for the enormous purchases England has been making in foreign markets. This encouragement of exports seems to have an important place in England's scheme. Recently the government was considering letting cotton manufacturers have some gold and silver to weave into the fabrics they sell to the Orient,—as part of the payment for England's purchases in that quarter.

**S**HIFTING over" in England has been a gradual process and it is still going on. Industries employing three quarters of a million work people had 6 per cent less employees on their rolls in September this year than last year and this decrease occurred by degrees throughout the twelve months. The industries suffering the greatest inconveniences have accordingly been able to prepare for eventualities. The building industry, for instance, has made some adjustments; yet, a combination of cement manufacturers still showed net earnings this year, and the decrease in limestone quarried was only sixteen per cent from the figure for the year before, as for the future the building trades may see a pleasant prospect in the plans of the government to erect 100,000

new dwellings for workmen, with double this number later.

A source of strength to many British enterprises has been foreign business. A company which has sold a well-known mineral water, with agencies in different parts of the world, has devoted unstinted attention to the agencies' business, with results which appear to be satisfactory.

Much energy has gone into new industries. Of all these industries the manufacture of artificial dyes has had most public attention. On October 24 the regular annual report of British Dyes, Limited,—the enterprise which the government assisted,—appeared and indicated the success which has been attained in producing different colors and the plans which are being made to develop intermediate products against the day when German competition will again appear. For the present, British Dyes is successful even in a financial way, as it pays dividends of 6 per cent,—the maximum permitted,—but it is keeping an eye on the \$175,000,000 of assets, including \$50,000,000 in cash, which it understands the combination of German dye-makers has at command. (Concluded on page 48)

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**T**HE three agencies of the government which, if need arises, will concern themselves with distinctions between non-essential and essential industries have made clear their present positions. Judge Robert S. Lovett, Director of Transportation Priorities, speaks also for the War Industries Board when he says:

"While the situation may change, I am not at this time contemplating any further action with respect to transportation of non-essentials. Priority Order No. 2 with regard to open top cars went as far as it seemed wise to go in dealing with that problem by restricting the transportation of non-essentials. Conditions, however, will be constantly observed. Whether the coal shortage requires restriction of the coal supply of non-essential industries is a question for the Fuel Administrator, Dr. Garfield, to determine; and if any priority orders become necessary in the furtherance of his policy in that regard, they will be made only upon his request.

"As to the War Industries Board, apart from my action under the Priority Act with respect to transportation, I may say that the industries of the country would seem to be justified in assuming from the action of the Board in the matter of copper and steel prices, and its record generally to date, that it is the desire and policy of the Board carefully and liberally to conserve the interest and welfare of industries. I feel safe in saying that the Board will take no action designed to eliminate any non-essential industry without reasonable notice and an opportunity to be heard."

The Fuel Administration, which is the third agency which might take action, at the same time declared that arbitrary limitation for any industry is a last resort, and that it will not become necessary if all users of coal will see that they do not waste fuel but get the highest possible efficiency from each shovelful.

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with uncertainties in supplies, increases in costs, and difficulties in getting men, have entered into a combination capitalized at \$20,000,000. This project apparently has approval from the Minister of Food and the Treasury, partly because centralization of distribution will eliminate the waste of having wagons of half a dozen competing dealers traverse the same streets every morning. At the end of October a combination of a different sort was announced. Ninety-eight per cent of the producers of china clay,—an industry which has suffered much dislocation,—have entered into an agreement in order that they may deal with their problems as a body. They began by raising prices about one-third. Of course, the laws of England differ from our own in that they emphasize freedom of contract, instead of freedom in competition, as desirable in the public interest.

One of the purposes of new associations in England has been development of opportunities to engage in war work. Three hundred jewelers have a central committee which finds government orders their members' manufacturing equipment can execute. Although



# Training for the Training Camps

Formed with Little Thought of War, the Federal Board for Vocational Education Has Swiftly Assembled Machinery Which Prepares Men and Boys for Better Jobs in the National Army by Teaching Them Military Trades

By W. L. STODDARD

*An Authorized Interview with Dr. C. A. Prosser, Director of the Federal Board for Vocational Education*

THE searching spotlight of war has disclosed a vast number of national failings and shortages which in ordinary times go unnoticed, and under the drive of the energy which war automatically inspires we are setting heartily to the task of making up for lost time by all sorts and conditions of emergency measures. Food, ships, cars, aeroplanes are some of the items in the long list. But lying at the bottom of them all, more fundamental than all of them, is the item of trained man-power. Defense and prosperity can be securely builded only on the trained man as a basis. If the war has drawn any lesson, it has clearly sketched this one.

By a circumstance so fortunate as to border on the miraculous, the Smith-Hughes Vocational Education Act became law only a few weeks before the breaking off of relations with Germany and the plunging of this country into the European struggle. Appointed under this law to establish a permanent system of co-operation between the Federal Government and the States, the Federal Board for Vocational Education has had forced upon it the most desirable and necessary task of filling up the yawning gaps in certain fields of technical and trade education which never would have needed filling had the United States been vocationally prepared—had the United States earlier in its history taken a leaf out of the enemy's experience, and made provision for publicly-maintained schools turning out men and women broadly trained for the common, useful, wage-earning employments.

But typical American luck was this time on our side. Within the last two months an emergency mobilization of the schools of the country has been inaugurated under the auspices of this board, directed to the sole end of running conscripted men through courses of training in occupations urgently required by the army. The story of this mobilization is one which must take a prominent place in future chronicles of this government's achievements in the face of the war.

## Trained Man-Power for the War

THE army of to-day is a miniature nation. Contrary to popular misconception, an army is made up of men who, in addition to purely military training, must be skilled in an enormous variety of trades or professions. The War Department recently issued a statement setting forth that the regular army still needs nearly 130,000 men for the specialized branches of the service—men to work in ice plants, men to work in mechanical repair shop units, men to work in, on and under all manner of motors, men to cook, men to bake, men to clerk, men to build roads, men to signal, men to shoe horses, and so on.

There were not these men—there are not these men in the numbers and of the quality desired. And so, committed to seeing the war through to the only conclusion which, as free people, we can allow it to have, we have gone to work at the bottom and begun to train these men. While recruiting agents and military advertising propaganda were busy at the job of jimmying out of industry a frac-

tion of the trained men needed, while army and navy schools worked overtime to put the raw material that came to them through courses of study, while men from every walk of life laid aside their civilian occupations to

FOR once in history, opinion was undivided. Labor, business and educational organizations joined in urging on Congress the adoption of the Smith-Hughes Act for the formation of a Federal Board for Vocational Education. The bill passed on February 23, 1917. No one had thought of it as a war measure. It was to aid our sorely pressed industries to get specialized workers and to enable the men to better their wages and standards of living. Less than two months later we were drawn into the European maelstrom. The immediate compounding of our military forces demanded skilled men in khaki to handle motors, aeroplanes, trains, telegraph keys, buzzers and nearly every other form of machine, big and little. At the same time the necessity for greater quantities of materials increased the heavy burden of the nation's civilian labor. Mr. Stoddard tells here how the new board at once expanded its plans and placed at the head of its schedule what may be a remedy for the sudden emergency.—The Editor.

join the colors, the Federal Board for Vocational Education set to work to create a system of classes of instruction designed to maintain the continuous supply of trained man-power imperiously demanded in the prosecution of the war.

One of the members gives this picture of the first move in the campaign to establish a nation-wide system of vocational training for special and pressing purposes:

"At least 15,000 conscripted men not yet in the cantonments will be given a chance to take training as radio or buzzer operators. Early reports from technical schools in the East indicate that within a short time extensive night classes will be opened and experienced instructors in the International Morse code will be teaching the drafted men how to send and receive through the air and over the wires. One institution alone has telegraphed Washington that it can take care of 500 men.

## Schools in the Military Scheme

THOSE desiring to receive the instruction are requested by the Federal Board to notify their local school officials. The authorities at Washington are leaving the detailed arrangements of the classes in every instance to the initiative and judgment of city and town superintendents and school principals.

"Pupils who attain the required proficiency are practically certain of rapid promotion and increased pay in the army. The rank of corporal or sergeant with a wage of from \$36

to \$51 a month awaits the majority of the men thus trained, and some will reach the position of Master Signal Electrician with a wage of \$81 a month.

"In a communication addressed to over 600 schools, it is emphasized that the Government is largely depending on the schools of the Nation to supply the shortage of radio and buzzer operators for the new army. There never was a better opportunity for schools giving practical education of all grades to demonstrate the value of this kind of education and to show their capacity to respond to an actual emergency in a time of national crisis."

War makes many things necessary and everything possible. By the specific terms of the Vocational Education Act the board is authorized to make studies and investigations "with particular reference to their use in aiding the States in the establishment of vocational schools and classes in giving instruction in agriculture, trades and industries, commerce and commercial pursuits, and home economics. Such studies . . . shall include . . . the study of related facts and principles; and problems of administration of vocational schools and of courses of study in vocational subjects." There, lying peacefully in the statute-book, was the power. Beyond the covers of the book, menacing by its sheer size and the sheer necessity for its quick solution, was the problem.

To grasp the full significance of this revolutionary plan for utilizing hitherto unused educational resources for military purposes, we should go back to a logical beginning.

Upon his arrival at the cantonment, every drafted man of the first draft—and this will hold good for the second and subsequent drafts—finds that among the new and numerous duties imposed upon him is that of filling out a blank on which he is to declare his trade, trades, or profession. Though the recruits may not realize it, these blanks are more important to the personnel officer than are the blanks giving his age and place of nativity. These blanks give the officers in charge of the task of allotting men to the different branches of the service a set of facts without knowledge of which the skill of many a highly-trained man might never be utilized in the best measure. Thus after the blanks are drawn together, indexed and cross-indexed, a division commander is able to tell how many clerks there are in his command, how many blacksmiths, how many engineers, how many machinists, how many tailors, and so on. From his own charts the division commander knows his technical occupational requirements, and, provided that the men are really what they claim to be, the rest is easy.

## Classes of Conscripted Men Only

THIS vocational census, while indispensable, clearly does not go far enough. It merely applies to the drafted men after they reach the cantonments. Officially, little is known of them before they reach camp. The population of the United States has never been officially classified and card-indexed, with cards for each inhabitant. And in filling the



well-nigh insatiable demands imposed by the creation of a vast new National Army some substitute for such a card index is highly desirable.

From the first returns of the vocational census, it was at once apparent that there were not enough trained men of the various trades to fill the requirements. The lottery of the draft was, after all, a lottery, and there was no reason to suppose that it would automatically supply in precisely the correct quantities the exact numbers needed by the Army. Again, while the vocational census turned up undoubtedly a good many hundreds, if not thousands of, let us say, telegraphers, a large fraction of these had to be retaught—their vocational qualifications had to be readjusted to the military requirements. In the case of the telegraphers, those trained in American Morse had to be retrained in International Morse, and ears accustomed to the click and back-click of the ordinary telegraph instrument had to be attuned to the unfamiliar sound of the military buzzer. Common sense and necessity were not long in perceiving that time and energy would be saved by catching men early, before their intensive military schooling was to begin.

According to the plan which is now working itself into the immediate educational programme of the schools, only conscripted men due for the second and following drafts will be admitted to the classes, the sole purpose of which is to train for the army. Every school, no matter what its character or size, has been urged to start these classes. The courses will run till there is no longer an emergency—which may mean till the Kaiser is beaten. For the radio and buzzer operators, the average length of the course is put at 200 hours, and some of the schools are holding sessions six nights a week, two to two hours and a half a session, till the job is completed.

#### Helping Out the Shipping Board

AT no matter what point in the course the student drops out, or is called to the cantonment, he receives at the very least a certificate of attainment. This certificate goes in duplicate to the Washington authorities concerned, and the man carries a copy of it to the cantonment to present to the appropriate authority. There he will be at once assigned to the function for the particular performance of which he has been trained.

Next to the drafting of trained men out of industrial life, this scheme is the swiftest and most efficient that has yet been devised to cope with the present emergency. The names and numbers of the drafted men are matters of public record. They can be

promptly communicated with or interviewed. They can be shown the advantage not only to themselves but to the country as well in going to their new war work schooled in some special phase of war activity for which there is a demand.

As the war continues, it is not difficult to imagine the rapid growth of these vocational classes planned for the instruction of the selected men. But merely the training of the selected men will not equip all the trained men demanded by the military needs of the country. There are the demands, equally vital, of the industries without the continuous operation of which neither arms, munitions, food, clothing nor supplies may flow toward the battlefield.

the Federal Board for Vocational Education has been called to the assistance of the Shipping Board for the purpose of studying expertly the occupational technique of shipbuilding. Again, it is a question of beginning at the very beginning.

To get men to build ships, you must know how to build ships, and you must teach men how to build ships. You must go still further back—you must teach men how to teach men how to build ships.

#### Converting Unskilled Labor

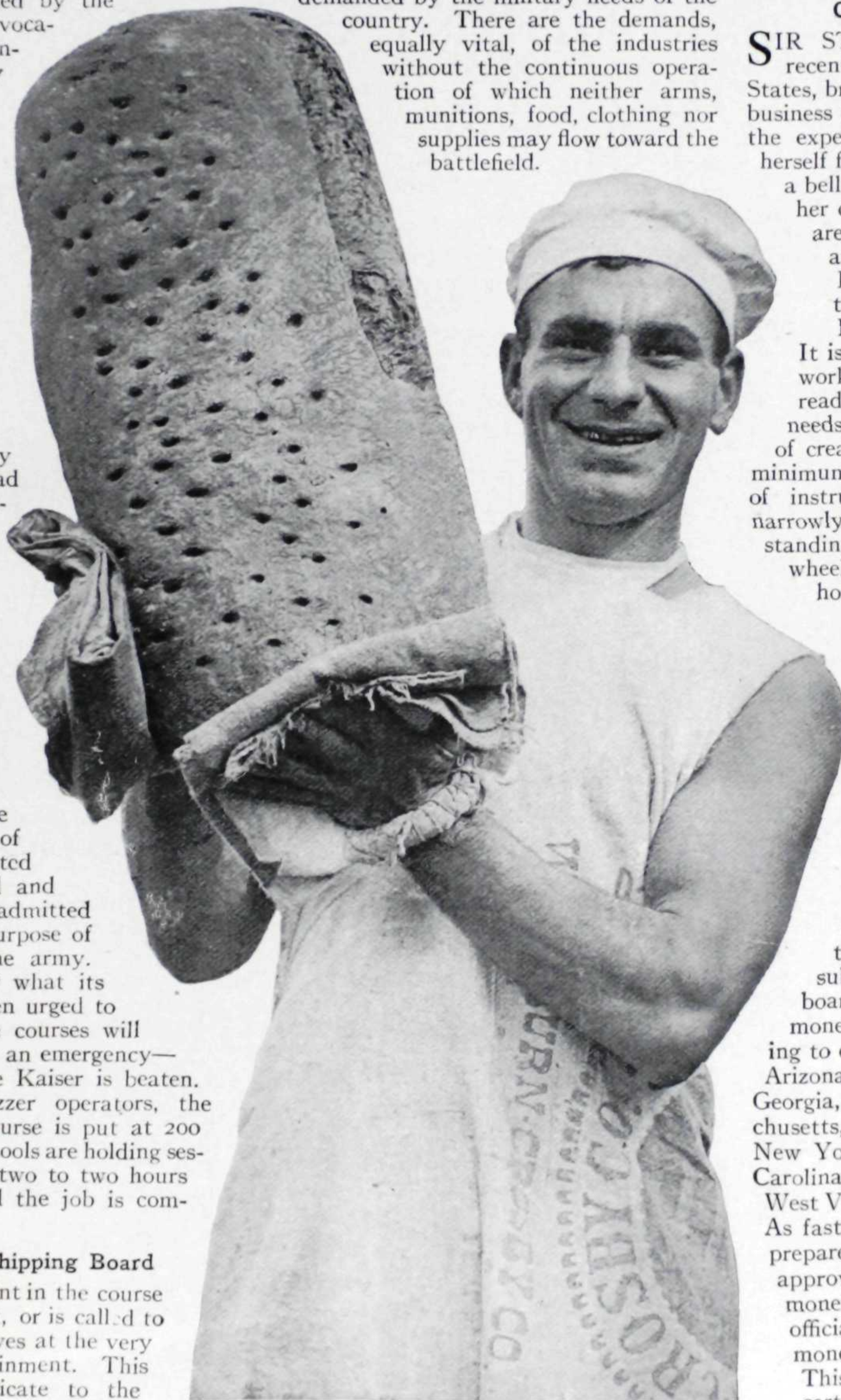
SIR STEPHENSON KENT, heading a recent British mission to the United States, brought to the Government and to the business men of this country the message of the experience of England in transforming herself from a peaceful industrial nation into a belligerent industrial nation, fighting for her civilization. The problem which we are just now beginning to understand and to grapple with was grasped by England some months after her entrance into the war.

It is the problem of the trained worker. It is the problem of training the trained worker. It is, in part, the problem of readjusting existing labor supply to new needs, but it is immensely more the task of creating the equipment which, with the minimum loss of time and with the maximum of instruction, shall convert unskilled, or narrowly skilled labor into labor capable of standing at the machines whose roaring wheels bring the noise and clamor of war home to every available man and woman in the Nation.

Since its organization in July last, the Federal Board has been at work setting up the new system of vocational education authorized by law. Up to the middle of November, all but three of the States had accepted the Vocational Education Act either by specific legislative declaration or by a letter from the governor. Of these over a score had prepared plans for courses in vocational subjects or for courses in the training of teachers in vocational subjects which met the approval of the board. The first payments of Federal moneys were at this time allowed, amounting to over \$850,000 to the following states: Arizona, Arkansas, California, Delaware, Georgia, Kentucky, Louisiana, Maine, Massachusetts, Nevada, New Jersey, New Mexico, New York, Oklahoma, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, West Virginia, Wisconsin.

As fast as the states accepting the act can prepare their plans and the Federal Board can approve them, the allotted amounts of money are being certified to the school officials. The total sum of Federal moneys available this year is \$1,860,000. This total increases automatically by certain sums each year until 1926 when it reaches \$7,367,000 and is continued annually thereafter at that figure.

Of course this gradual building up of an effective cooperation with the states is a task which would be going forward war or no war. That is the main function for which the board was created, but the present emergency has forced upon it the job of undertaking immediate measures designed to meet the pressing vocational needs of the Army. Incidentally, it may be pointed out that this board was the sole Federal agency specifically directed by Congress to promote



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Butchers, bakers and almost everything else except candlestick makers, are being drawn into the formation of that vast and compact machine which is to be the victorious American army. If troops travel on their stomachs, this ten pound army loaf ought to bring us considerably nearer to Berlin. The demand for camp cooks still is far ahead of the supply.

In the building of ships alone there is a shortage of trained workers which has delayed for months the launching of ocean-carriers in sufficient numbers to transport men and material. This shortage is emphasized and enlarged by the want of training schools for the shipbuilding occupations, and here again





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The absolute necessity for instant communication between all units of an army calls for the services of thousands of expert telephone and telegraph men. By August, 10 per cent of the wire company employees between the ages of 21 and 31 already were in the government service. This hello man—a sergeant of the 22nd Engineers, New York National Guard—can lay a line at a gallop and be ready in a minute to flash back to headquarters information about the enemy.

vocational education, not only by the payment of Federal appropriations, but also by making studies and investigations, preparing courses of instruction, and in general coordinating the states with the Federal Government in this field. The Board is composed of the Secretaries of Agriculture, Commerce, Labor, the Commissioner of Education, and three men representing, respectively, the business, the agricultural and the labor interests of the country—James P. Monroe, Charles H. Greathouse, and Arthur E. Holder.

Another war work which may be only mentioned at this time is an investigation planned by the board into the question of the vocational reeducation and placement of disabled soldiers and sailors. This investigation, of which the business men of the country will hear more later on, is intended to develop a comprehensive policy to meet the situation which will arise when American fighters come back wounded and handicapped from the front. How to refit these men so that they will be able again to resume useful industrial employment is a task that will call for the utmost in the resources, intelligence and generosity of the entire nation.

#### Backed by Business Men

THE industrial welfare of the country" declared a report issued by the United States Chamber of Commerce a year before we got into the war, "demands all haste that is consistent with care."

This report was made for the purpose of

forwarding the passage of the Smith-Hughes bill, then in Congress. Changing the words slightly, it would be equally true to say that the existence of the country and its success in the war demands the speedy establishment of vocational schools. With the backing of business men, cooperating with educational officials and the Federal Board at Washington, progress in this direction will be swift and sure.

#### No Untrained Men in Germany

GERMANY foresaw and provided for the meeting of this problem when, half a century ago, Prince Bismarck began the establishment of Germany's wonderful system of vocational education.

"Within the next few years," declared the report of the Commission on National Aid to Vocational Education, which drafted the Smith-Hughes law, "there will probably be no such thing as an untrained man in Germany. In the United States probably not more than 25,000 of the 11,000,000 or 12,000,000 workers in manufacturing and mechanical pursuits have had an opportunity to acquire an adequate training for their work in life."

This same report predicted in effect the situation in which we now discover ourselves to be in the unequal contest between untrained democracies and a highly trained autocracy: "The battle of the future," (this was written early in 1914), "between nations will be fought in the markets of the world. That nation will triumph, with all that its success means to the happiness and welfare

of its citizenship, which is able to put the greatest amount of skill and brains into what it produces."

#### Those Troublesome Ocean Rates

OCEAN FREIGHT RATES have come pretty largely under control by one government or another. Shippers still have some cause to complain,—for example, both British and American exporters, from separate points of view, about the rates they pay to South America.

Shipowners, too, are having their troubles in some quarters. The British owners are telling their government that the United States is making good any foresight it lacked in nautical matters during earlier decades. While they receive from their government \$1.50 to \$1.75 a ton deadweight a month for the use of their requisitioned vessels they point to the rates of \$5.75 to \$7 our Shipping Board allows American owners, with further allowances made on account of speed and the like.

The editor of the British shipping weekly, *Fairplay*, who writes with a nimble and trenchant pen in one hand and a sharp stick in the other, even intimated that British owners, as soon as they can get foot-loose, may emigrate to the United States, thus reversing the situation we had not so long ago when American capital frequently sailed under the British flag.



# The Making of a "Mail Order Menace"

A Glance at the Life and Mental Processes of Julius Rosenwald Who Helps the Government with Its Buying While His Famous Catalogues Continue To Corral and Bring in the Nimble Dollars

By JAMES B. MORROW



**B**UT talent also has much to do in the matter of money-making, the interviewer had said.

"Admitted," Julius Rosenwald answered. "Still there is no ground for pride. Talent is a gift from a source outside of ourselves."

"Bestowed upon us, instinctively we use it and find pleasure in the act. The artist began to draw pictures on scraps of paper while a child. The orator was eager to recite pieces at school. The poet saw beauty invisible to his playmates and teachers."

"I give talent its proper place in the scheme of life but the man who has it should walk humbly in the sight of the world, remembering always that he is merely an agent, without much excellence in himself."

Such was the climax of a millionaire's strange doctrine. Success had been the theme when the conversation opened. "I have never supposed," Julius Rosenwald then said, "that any quality I possess had more than a minor part in what I may have achieved as a merchant. An opportunity opened before me. I didn't create it."

"But you saw it," the interviewer broke in, "and seeing is one of the manifestations of genius."

"Not when it comes about purely through accident," Mr. Rosenwald replied.

"I accepted the opportunity," he went on "more in behalf of a relative than for myself. The business expanded. There are a thousand men in the country who would have done better with that business than myself. But they didn't have it. Some of them, perhaps, are still working on salaries."

"The United States is filled with men who could get rich if they had the chance. General Grant was a leather merchant in a town not far from where I was born. The Civil War turned him into a hero and made him President of the United States."

## Regarding Both Sides of the Counter

**B**UT you will admit that he was a great soldier," the interviewer remarked.

"Surely," Mr. Rosenwald answered, "but no one ever would have known it had he been deprived of an opportunity to fight. And that is my argument. Every situation in life has a man, often a multitude of them, capable of meeting and filling it. My philosophy, in the present instance, stops at that point; but there are not enough situations to go around."

"Counsel, then, is useless from a master of money to a candidate seeking a place in the ranks," the interviewer observed.

"Wholly," Mr. Rosenwald replied. "The commonest and shabbiest thing in the world is advice. A normal man does not require it. His conscience or intellect is sufficient. What he wants is an opening. He may seek it or he may find it. Often it will meet him face to face when he is thinking about something else. In that event, his heart should not be filled with arrogance."

"A thousand men, hidden away, getting pay envelopes every Saturday, live and die in comparative poverty. Many are millionaires

in everything save money. There is no occasion for them to underrate their ability. Chance has not come knocking at their doors. Nor has the man in the next store, sky-scraper or factory, at whose door chance has actually appeared, any reason for overestimating his own ability. Meekly should he walk in the presence of himself—and of his family."

"But you have had a programme?" the interviewer persisted.

"None whatever. Had I followed a programme, I would still be in the clothing business."

"Anyway you have a policy?"

"Only so far as trying to feel that I am always selling merchandise to myself. I would stand on both sides of the counter, if we had a counter."

## A Millionaire's Philosophy of Wealth

**A** MEMBER of the Advisory Commission of the great Council of National Defense, the choice of President Wilson himself, Mr. Rosenwald is bargaining for the leather, cloth and duck—many millions of pounds and many millions of yards—required by the American armies at home and in France. His services, of course, are free to the government. Specifically, such is his duty. In general, he shares the work of the war council as a body.

Mr. Rosenwald has none of the mannerisms supposed to be acquired with the amassing of large property. He is middling as to height and weight. His friendly eyes are a blending of brown and gray and his black mustache, shot with white, is clipped close to his lip.

Boast he has not, neither in his dress or conduct. I, me and myself are not his favorite pronouns. On his fiftieth birthday, which was five years ago, he gave away \$687,000. Men who know his gifts to philanthropic and educational projects say that his annual contributions since then have totalled even a larger sum.

"It is a crime," he told the interviewer, "to pile up money after one has accumulated all that he needs for himself and his family. There is a stage where acquisition becomes a vice. Once that is reached, a man cannot part with any of his possessions, nor can he will it away. He keeps his estate together and at death hands it over to his wife and children, not that he loves his wife and children more than do other men, but that he can not overcome the infirmity which has weakened his will and character."

"I have my business," Mr. Rosenwald continued. "I want nothing more. Men, sound men, able men, come to me nearly every week with plans that I know are good. 'I wouldn't invest a dollar,' I tell them, 'even if I knew that my profits would amount to 100 per cent a month.' I am not interested any more in the making of money but I like the fun of giving it away."

A half century ago, the Rosenwalds lived in Springfield, Illinois. Samuel, the head of the family, was a merchant. Probably, he was a native of Germany. Julius, however, was born in America and on the street where Abraham Lincoln formerly lived. Later, the Rosenwalds moved to a house directly opposite

the old Lincoln homestead

"You were not compelled to split rails in your boyhood," the interviewer said, by way of experiment. I I

"No, but I peddled chromos," Mr. Rosenwald replied.

"The nimble sixpence had to travel pretty hard to get away from me when I was a youngster. I did many things in the way of earning money. Satchels had to be carried and I carried some of them. Also I delivered papers."

"When Lincoln's monument was dedicated, I sold a pamphlet history of the acts leading to the event and made \$2.50. General Grant was present and I saw him sitting in a carriage. He was the first man I had ever seen with kid gloves on his hands. They were yellow in color and I looked so long that I have never forgotten them."

"One summer I clerked in a store, where everything was either forty-nine or ninety-nine cents in price. I made my first investment along toward autumn that year. My brother was associated with me in the undertaking. I had \$20, saved from my wages as a clerk, and he had about the same amount. We bought a set of china dishes for our mother on the twentieth anniversary of her marriage—had them unpacked and spread out when she came down to breakfast. That was a big day for us boys."

"But a bigger one for your mother," the interviewer asserted.

"And she is living yet," Mr. Rosenwald fondly said, "and writes to me every week and, although she is nearly eighty years of age, her penmanship is without a tremor or a blot."

Unconsciously, Mr. Rosenwald was giving a beautiful picture of himself. No doubt he will be surprised to see it in print but there is where it belongs and the writer has no explanation to make for giving a place to it in this rough sketch.

## A Rosenwald "Accident"

**A**T sixteen, Julius Rosenwald left home and the public schools of Springfield. Maternal uncles lived in New York. Thither he went and his mercantile relatives gave him employment, "but," using his phrase, "of a very subordinate character." Sweeping, possibly; dusting, no doubt and washing windows.



"One day," to give another snatch of his story, personally related, "I went to a wholesale establishment." He was a clerk by this time and entrusted with important commissions.

"Summer clothing for men—alpaca coats, duck vests and seersucker suits—was the exclusive line of this house," he said. "Business was brisk and the proprietors were in a cheerful and confidential mood. One of them told me that they had received that day sixty more orders, some by telegraph, than they could fill.

"I turned this information over in my mind and mentioned it to my uncles. Summer clothing for men, I thought, and they agreed, might do well somewhere else. A location was my first problem. Inquiry showed that a line of such goods had not been developed in Chicago.

"My father supplied me with funds and a cousin became my partner. We leased a loft on the third floor of the Farwell Building. It was in the fall of the year and we began, in a modest way, the manufacture of thin clothing. In the January following we opened our selling campaign, deliveries to be made in the spring and early summer."

"How old were you?" the interviewer asked.

"Eighteen sixty-two from eighteen eighty-five leaves twenty-three and that was my age," Mr. Rosenwald replied. "We did well," he continued, taking up his story, "and nine years later I became acquainted with Richard W. Sears. Then the turning point in my life occurred.

#### The Birth of an Idea

MR. SEARS was a year younger than myself. Born in a little Minnesota town, he learned to be a telegraph operator. A natural trader, and always an honest one, I want to say in passing, he began selling watches to the railroad men of his acquaintance. He would buy two or three watches and dispose of them to engineers, conductors and others.

"During his leisure time, while sitting at the telegraph instrument, he would write letters to the operators whom he knew and in that way laid the foundation for his mail-order business. He did so well that he left the railroad business and went into business for himself at Minneapolis, dealing only in watches and selling them by means of circulars and letters.

"Chicago, he thought, would be a better location and so he moved to that city. He had already proved the merit of his idea and was making money. Then, in a year or two, a man came along and offered him \$125,000 for his business, provided he would agree not to sell watches again in his own name for a period of three years.

"Mr. Sears was only twenty-five at the time and the sum that he was offered seemed to be an immense fortune. He thought that he would never want any more money. So he sold out, invested \$75,000 in farm mortgages, gave the mortgages to his mother and went to Mexico and California on a vacation.

"After traveling for six months, he returned to Minneapolis weary from idleness. A. C. Roebuck, who was much older than himself, formerly had been in his employment as a jeweler. Mr. Sears was attached to Mr.

Roebuck and had great respect for his mechanical ability and his character.

"Under the contract he had made in Chicago, he was barred for three years from engaging in the mail-order business under his own name. So he organized the A. C. Roebuck Watch and Jewelry Company and re-established himself in Minneapolis. Mr. Roebuck, neither then nor after, had any financial interest in the business. He was always an employee on a salary.

"Once more Mr. Sears prospered. When he was free to do so, he changed the name of his firm to Sears, Roebuck and Company. He had widely advertised the old firm and believed that Mr. Roebuck's name was of considerable value. Therefore, he used it, along with his own, although he was the sole owner of the business.

#### "Accidents" Continue to Happen

MR. SEARS returned to Chicago in 1895. Up to that time he had sold watches and jewelry exclusively. When he added a small line of clothing to his stock, I showed him samples from our factory. Thus our acquaintance opened. He told me about his business.

"I had a brother-in-law who was then looking for an opening. He and I went to Mr. Sears and asked him if he felt like accepting us as partners. A bargain was soon made. Mr. Sears put a value of \$140,000 on his stock, good-will and so on. The price was satisfactory. I paid him \$35,000 and my brother-in-law paid him \$35,000. And so the three of us owned the business. We turned the company later into a corporation. Mr. Sears was elected president and I was elected vice-president and treasurer. When Mr. Sears retired in 1908, I succeeded him. He died two years ago, a very wealthy man. Modest, always, and lovable, he was of great service, in my opinion, to the American people. He brought manufacturers and consumers together and saved the latter hundreds of millions of dollars."

#### The Case For the Mail Order House

THE business of Mr. Sears in 1895, by his own statement, was worth \$140,000. No money was afterwards put into it. Expansion was made wholly with profits. The shares of the corporation to-day have a market value of \$125,000,000. At least \$25,000,000 has been taken out of the business in the form of dividends. Sales totalled \$500,000 in 1895. They will be three hundred and forty times greater this year.

"You know, of course," the writer said to Mr. Rosenwald, "that country merchants complain of having been seriously injured by mail-order houses?"

"Yes, although there are more prosperous and capable country merchants in the United States than ever before. When a man fails he will shift the blame from himself to some one else. He will not admit that he is incompetent. Egotism stops him from doing so. He finds an excuse somewhere for his

own shortcomings and convinces himself, if he fails to convince those who know him.

"By his methods, Mr. Sears caused other merchants to find ways by which they could meet his competition. The whole retail world was speeded up and grew more efficient. Good merchants became better and bad merchants went out of business.

"Billions of dollars are yearly spent in this country by consumers. Our sales for 1917 will amount to \$170,000,000, which is only a small drop in a big bucket. Take shoes, for example. I suppose the American people buy a thousand million dollars' worth of shoes annually. Our sales of shoes will not exceed, say, \$18,000,000. Mail-order houses can not monopolize the retail trade of the United States, but they can, in a measure, regulate it as to prices and improve it as to service.

"There is room for all, and all, I hope, will prosper, provided, under the laws of good business, they ought to prosper."

As for Julius Rosenwald himself, as analyzed by himself, everything has been an "accident;" exactly as much of an accident, it will be noted by his story, as would be the argument of a case before the Supreme Court by a lawyer, or the construction by an engineer of a railroad up the slopes and through the notches of a chain of mountains.

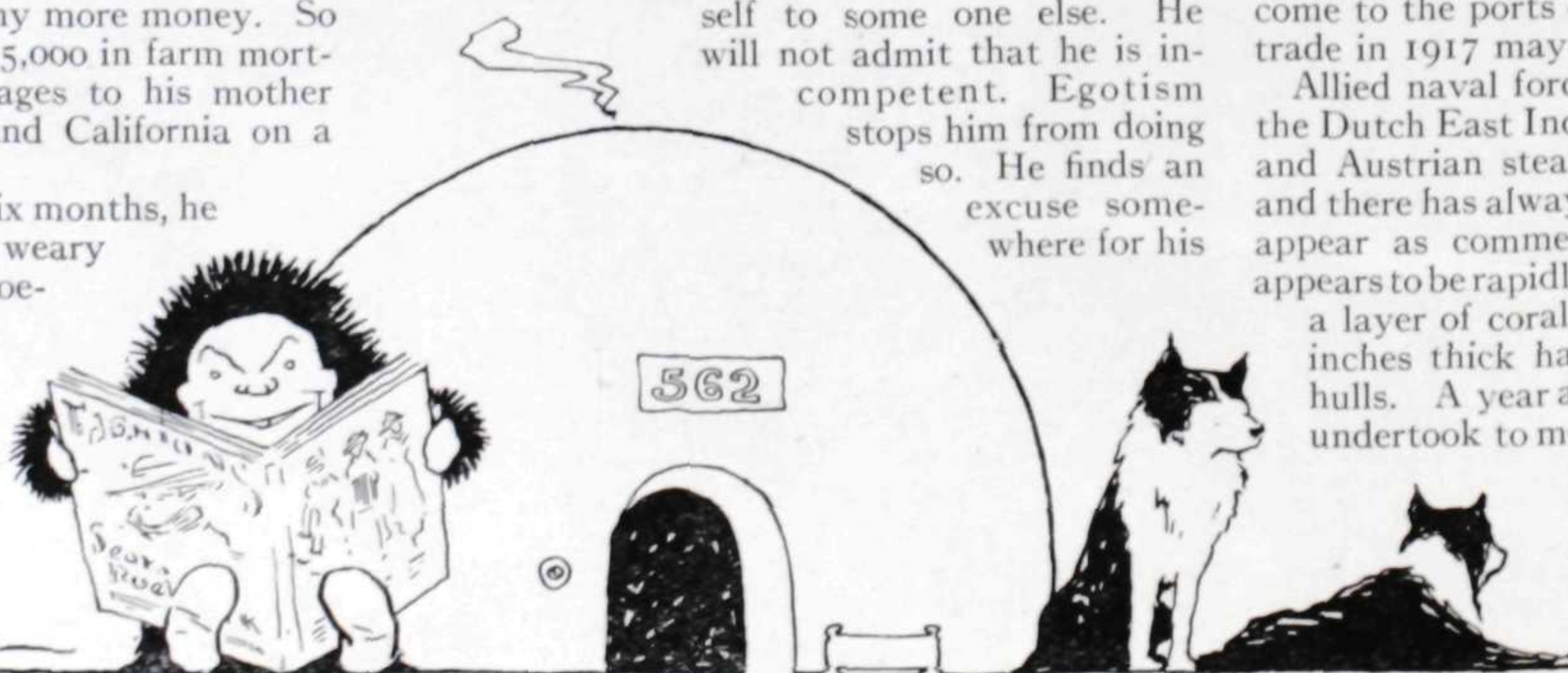
THE EAST INDIES have always suggested to us the adventurous trade of the days when our shipowners and merchants sought fortune on the other side of the globe. In more recent times they became something of a myth, so far as actual commercial intercourse went, although they still supplied us with some articles we like, including tobacco, pepper, and nutmegs. Besides, an American Company has a vast rubber estate in those regions.

Now, the war has brought us back to the East Indies once more. From Java and Sumatra we took \$35,000,000 in goods during 1916,—half their tin, 12,000 tons of rubber, and such other products as kapok, pepper, hides, and coconut oil. This was seven times the value we purchased there in 1913.

Our exports to the Netherlands East Indies fell short of paying for half these imports; even so, they were trebled over the value for 1913. They included a goodly array of our manufactures, too. Automobiles, kerosene, tinware, machinery, leather goods, typewriters, wire nails, and furniture entered into our side of the account. The possibilities of trade appear in Javanese imports of cotton-goods to a value of sixteen million dollars,—a business which passes largely through the hands of Chinese wholesalers who wax as rich as mandarins ought to be.

With the trade Dutch steamships have something to do. They prefer to keep clear of such uncertain things as "war zones" and come to the ports of the United States. The trade in 1917 may double the value for 1916.

Allied naval forces have kept their eyes on the Dutch East Indies, where some 40 German and Austrian steamers took shelter in 1914, and there has always been a chance they would appear as commerce raiders. That chance appears to be rapidly diminishing; for since 1914 a layer of coral and shells twenty to thirty inches thick has become encrusted on the hulls. A year ago, when harbor authorities undertook to move one of these vessels that is rated at twenty knots, they worked for many days and finally set her in motion at five knots.





# Industry Collects Its Own War Tax

## Secretary McAdoo Acknowledges the Co-Operation between Business Men and Government in Appointing the "Excess Profits Advisers"

**T**HE appointment of nine "Excess Profits Advisers" by Secretary of the Treasury McAdoo to assist the Treasury Department in interpreting the War Revenue Act is a significant development of the new spirit of the times, the spirit of frank and hearty cooperation between business and government in the work of national defense.

The selection of these nine men, all of them important personages in the business and economic world, emphasizes the declared policy of the Treasury Department to co-operate intelligently with the public and with business in the administration of the tax laws. In the work which they have been called upon to do, there must be constructive cooperation between the department and the tax-payers of the country in the proper collection of the full amount of all revenue authorized by Congress. This is necessary to win the great war in which we are engaged.

The principle of business advice for officers who administer the revenue law has been advocated by the Chamber of Commerce of the United States in connection with its proposals for war committees.

The nine "Excess Profits Advisers" several of whom are prominent in the work of the National Chamber, either as officers or members of important committees— are:

Representative Cordell Hull, member of the Committee of the House of Representatives on Ways and Means.

T. S. Adams, economist, Yale University.

Wallace D. Simmons, President, Simmons Hardware Co., St. Louis and Philadelphia.

J. E. Sterrett, of Price, Waterhouse & Company, accountants, New York City.

S. R. Bertron, of Bertron, Griscom & Co., bankers, New York City.

E. T. Meredith, Editor, "Successful Farming," Des Moines, Iowa.

T. W. McCullough, Editor, Omaha Bee, Omaha, Neb.

Stewart W. Cramer, of the National Council of Cotton Manufacturers, Charlotte, N. C.

Henry Walters, Chairman of the Board, Atlantic Coast Line and Louisville & Nashville railways.

### Taxing War Profits

**I**N providing for increased profits taxes, Congress took the business men of the country at their word. Through a referendum of the National Chamber, they had declared in favor of a liberal use of taxes in order to meet the expenses of the war. Better high taxes than complete dependence upon bond issues for the vast sums which war makes it necessary for the government to raise. Specifically, they declared that "approximately \$200,000,000 of the amount raised by taxation in the first year should be obtained as a war measure, by additions to the present excess profits tax."

It is one thing for business to recommend, and for Congress to levy, excess profits taxes, but it is another thing to determine just what an excess profit is, even when the law defines it. It is another thing to set up the machinery to collect the tax. A perfect understanding between business and government as to the first point, and patriotic assistance rendered by successful business men in the operation of the machinery will go a long way toward establishing a satisfactory relation between tax-payer and government. It will tend toward the elimination of hardships in

passage of the new tax law," said he, "they went on record through the Chamber of Commerce of the United States by recommending that a large part of the war expenditures be obtained from taxes on excess profits and incomes. This evidence of the readiness of business to do its full share in the support of the Government's war policies has been recognized by the Administration, and every effort will be made to have this great burden, advocated by those who will bear the greater part of it, fall with as little hardship as possible, consistent with a just and thorough administration of the law.

### The Big Men Help

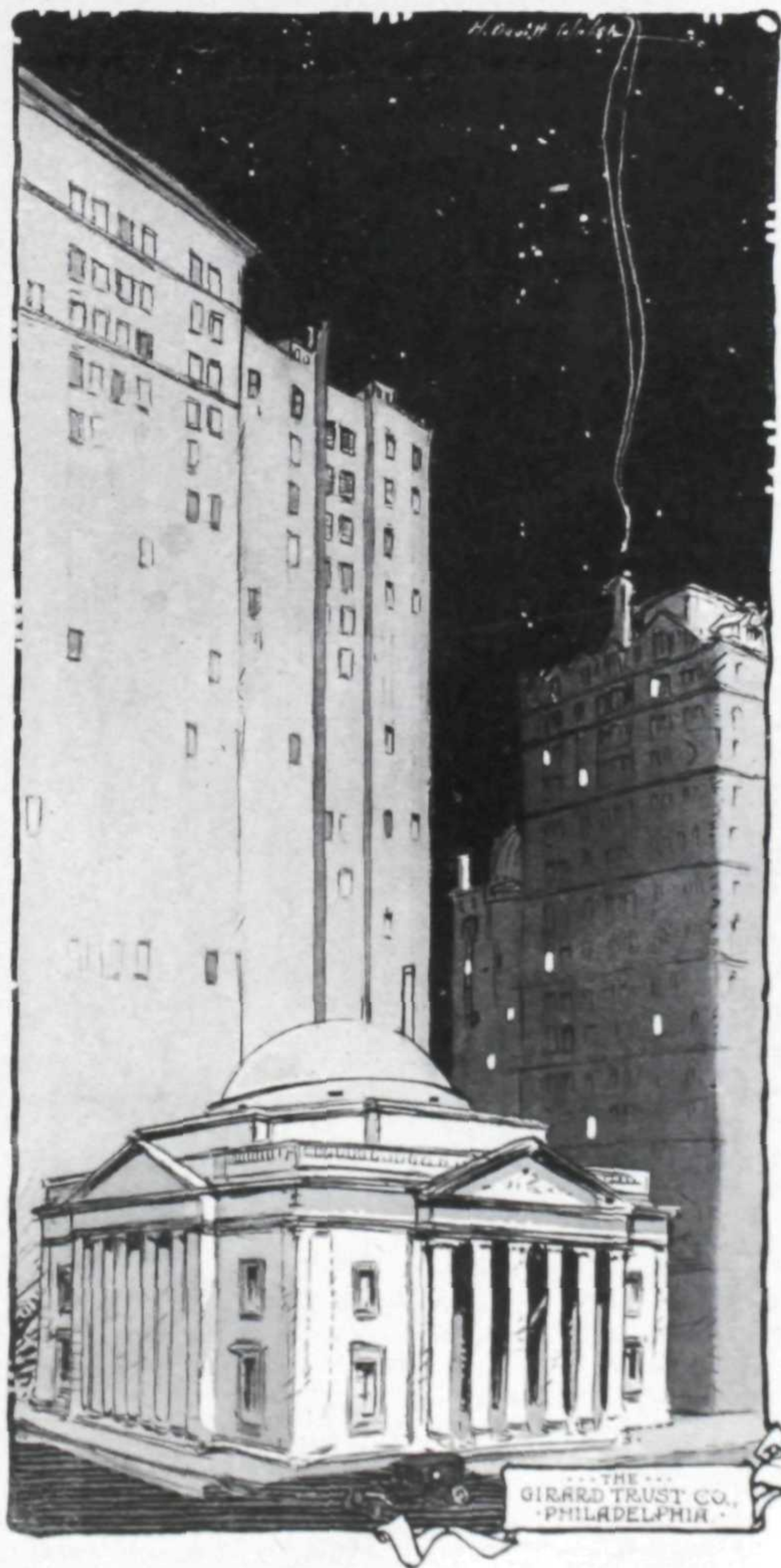
**T**HE Government is fortunate to obtain as advisers men of such broad vision and experience, who are patriotically interested in seeing that the money so vitally needed for war purposes is collected with the least inconvenience to the public and to business generally.

"The law presents problems of construction and interpretation that are of vital importance. The policy of the department will be to continue to keep in close touch with the tax-payers so as to secure the most reliable and complete information before promulgating administrative regulations. The recognized standing and ability of these advisers are an assurance that the problems will be solved in the light of the best available constructive knowledge and experience.

"In addition to the action of the department in availing itself of the services of these advisers, plans are being formulated for a programme of information for the tax-paying public. It is essential that every tax-payer shall know how to compute the amount of the taxes he must pay, and the time, place and method provided for its payment. The department recognizes that information of this kind will be indispensable, because the law puts upon the tax-payer the responsibility for making the returns by which his tax is measured.

"Steps are being taken to bring the tax-gathering machinery of the Government into closer relationship with the tax-paying public. An office known as the Division of Tax-Payers Cooperation has been created in the Internal Revenue Bureau. Under the direction of this office, a nation-wide plan of cooperation with tax-payers is being developed. Through the organization that will carry out this plan, essential information will be conveyed in the most direct manner to each tax-payer."

"The department recognizes also the desirability of relieving the public of any uncertainties as to the interpretation and administration of the law. Hasty action must be avoided and due consideration given to actual conditions and facts, so that the department's rulings shall not (Concluded on page 48)



the collection of the tax and toward insuring that the public revenues will reap the full benefit intended.

From the beginning of the war, business men, said Secretary McAdoo in announcing the appointment of these advisers, have shown their desire to help. "Before the



# An Exposé of South American Trade Spectres

## In Which the Light of Common Sense Is Applied to Such Old Offenders as Bad Packing, Credits, Latin Customs and Language Requirements

By PAUL R. MAHONY

**T**HIS is an age of discoveries. The trait manifests itself at every turn. Though the world is supposed to be fairly well explored by this time, the followers of Columbus still pursue their quests. Take South America.

Accurate statistics are lacking, but it is estimated by conservative experts that South America is now being discovered at the rate of 365 times a year.

I cannot understand why this should be so, when the North Pole has been discovered but twice. Nevertheless, it is a fact and from out of these expeditions of discovery many weird and fanciful tales have been told in the pages of every newspaper and periodical that's fit to print, and in many that are not.

One of the favorite pastimes of the North American discoverer of South America is to keep a sort of diary which eventually comes to light as an interview, an article, or a book, in which an unfortunate American manufacturer is stripped of every vestige of his character as an exporter.

Again and again we are told that we do not know how to pack, and that we will not learn; that we refuse to compete with Europe in the matter of credit; that we lack foreign trade organization; that we insist upon selling what we want to sell, and not what our customer wants to buy; that we do not keep our promises that we do not speak foreign languages, nor understand the Latin American temperament; that we have no manners, etc., ad infinitum. A digest of these chronicles of criticism would surely lead us to believe that our case is hopeless until we tear out the whole export works and have them re-made somewhere in Europe.

Those of us who make our bread and butter by commercial missionary work in these fields are bound to admit that there is still much room for improvement in our packing and in many other things, but our case is by no means a hopeless one.

### Foreign Trade a Prime Essential

**L**ET us get down to the underlying facts: the combined area of our former chief competitors in South America's trade, the United Kingdom and the German Empire, amounts to less than that of our States of Texas and New Mexico taken together. The total population of these two states of ours now amounts to about five million. Crowd into this area a population of over 110 million people, which represented the combined total of the United Kingdom and the German Empire before the war, and what would be the result? They would have to draw on the outside world for a considerable portion of their food supplies and other necessities of life, and for these they would have to pay in the products of such industries as they could establish.

This was the situation which developed in England and in the German Empire, forcing them for their own salvation into the development of their manufactures for foreign trade long before the United States had dominated her domestic market to a point which left a surplus of manufactures to seek outlet in the foreign field. Necessity compelled Great Britain and Germany to develop as nations of colonists and traders, and, as a natural accompaniment to this, as investors in foreign undertakings. It is a matter of common knowledge that over 60% of the railroads of



Wash Day in Buenos Aires

South America are controlled by British capital, and a like condition prevails among many other large public and private enterprises. This means foreign boards of directors and foreign purchasing agents, who are naturally inclined to favor their home markets. We, on the other hand, have not had capital to spare. It has been needed to build our own railroads and in the other vast avenues of investment which came with the development of our country. Indeed, we have been more in the position of borrowers than in that of lenders. But a very marked evolution from this state of affairs has been taking place during the past ten years.

We have built our railroads and captured and dominated our own market, and in doing so we have developed the manufacturing potentiality which has enabled us to enter and compete in the foreign field. Foreign trade is no longer an incident of our economic life. It has become a prime essential.

The problems of our foreign trade expansion are many, but chief among these is the development of sales organization. Good material and good workmanship, efficient and up-to-date methods, of manufacture, commercial treaties, capital, banking, credit, transportation and publicity, all of these must play their important parts in our trade expansion in South America or in any other part of the world. But the final expression of all of these facilities of trade must ultimately and continuously be worked out through the influence of the salesman.

There is an old saying that the man who can make a better mouse trap than anybody else will have the world wearing pathways to his door.

In these days things are changed. No matter how good your mouse trap may be, if you want to sell it, you have got to take it out to the world.

It is the salesman who must cut paths through the forests of habit and custom, and ignorance and lay his goods before the eyes of the world. And he must keep eternally smoothing his pathways for the continuance of his trade.

Did the world rush to adopt the plow, the printing press, the knitting mill, the sewing machine, the typewriter, the telephone, the cash register and other instruments of progress merely because these were good? It did not do so in the beginning, nor is it doing so now.

When it comes to taking up new ideas and new improvements the world to-day is not much more ready than was the caveman, and archeologists have proved that he was one of the original inhabitants of the region now known as Missouri.

Getting right down to salesmanship in South America, I find that we have been suffering a great deal from two extremes. Either there is a tendency to slur over this phase of our market building, or there is too much of a tendency to consider it as a mystery.

We hear a lot about the necessity of understanding the habits and customs of the people; of the necessity for shaping our models, styles and patterns to suit the South American's tastes and caprices. Ridiculous stories are told of the South American's tendency—to procrastination—that his slogan is *manana*. The dangers of credit are exploited and the requirements of credit are exaggerated.

There is too much of a tendency toward the "don't go near the water until you learn how to swim" idea. I have quoted on other occasions an opinion which has been expressed in writing by a man who has quite a reputation as an authority on foreign trade.

"Foreign travelers are sent out by any concern only after it has been definitely proved that sufficiently remunerative markets exist to justify such a course."

Well, where would we be now if we had consistently adhered to this policy. And who is going to prove that the sufficiently remunerative market exists but the foreign traveler?

There is really no very great mystery about the whole subject of salesmanship in South America. The head of one of our largest and most successful manufacturing establishments has said:

"There is no essential difference between increasing business in St. Louis and increasing it in Rio and Buenos Ayres, and there will be no more difficulty in doing so if the same care and efforts are devoted to it."

He is about right.

### Learning the "Habits and Customs"

**W**HERE your markets in South America lie depends upon your line. But when you consider that in climatic and topographical conditions, in natural products and in many industries, the counterparts of those of the United States may be found in many South American countries, you may come safely to the conclusion that there are markets there for practically everything we manufacture. It is up to you to find out where these markets lie. There is a little study of geography involved in this, but there are many good books published, and the Bureau of Foreign and Domestic Commerce and the Pan-American Union can help a lot. Give them a chance. They will be glad to assist you.

Learn the relative commercial importance of the South American republics. One of the first things that will strike you is that the three great countries of Argentina, Brazil and Chile account for nearly 80% of the foreign trade of



South America. Between these lies Uruguay which stands about fifth in volume of foreign trade out of the ten South American Republics. But do not stop at that. Merely because these four countries account for so much of the trade is no reason for assuming that good business cannot be done in the other six republics. Some travelers have told me that their best work has been done on the markets of lesser importance.

Be logical about the languages. How far would you expect a foreign salesman to get, speaking no English in the United States? Of course, a great many people here speak foreign languages, and among these, or through these, he would probably be able to accomplish something. But how much better off he would be if he could really understand everything that is going on about him, and how much easier it would be to make customers and friends if he were not tongue-tied.

**POLITENESS** is chief among the "habits and customs" of South Americans and they generally deal fairly in business. It is also their custom to expect these same habits in the people they do business with. If you can qualify on these the other details of habit and custom need not concern you over much. The courtesy of South Americans is not merely exaggerated superficially as it is so often pictured in our literature and movies. It is real; it is inherent. It goes a long ways toward compensating the traveler for many of the sacrifices he has to make in his periods of exile.

It is a common belief that North Americans are very much disliked by South Americans, and that this forms a considerable barrier to our trade development with them. This is very largely an exaggeration that has been fostered by our European rivals.

I will not say that there are no sections of South America where a feeling of distrust and resentment exists against the United States. I have in mind certain of these countries through which I have traveled over and over again. But never in those countries nor in any other of South America have I ever suffered any personal affront nor interference with my work; nor has any other foreign traveler from the United States who has conducted himself in a manner not to invite affront or interference.

It is true that European liberality in the matter of credits has made it difficult for us in the past. It is also true that this liberality in credits on the part of Europe was carried to great extreme; so much so that this was largely responsible for the financial crisis that came over the greater part of South America just prior to the war. When staple lines that should be turned over in from sixty to ninety days are sold on terms of from six months to a year, it is not merchandising; it is lending money and inducing over-extension.

That is just what England and Germany and Italy were doing before the war, in their struggle of competition for the South American trade. But they were working away from this before the opening of the war. On a trip

I made through a considerable section of South and Central America in the early part of 1914, a number of European travelers I met frankly confessed that they were not out to sell. They were out to collect, and they were not very happy over the progress they were making. I doubt very much if Europeans will be willing or able to resume this practice of giving abnormal credits after the war.



Nine tenths of Peru's highways consist of dizzy mountain trails like this one. It is all the cat-like pack animals can do to keep their footing on some of them. The picture shows how American goods have to travel in this region—and also explains why there is little demand in the Andes for motor trucks, bicycles and farm wagons

The qualified salesman in South America must devote much attention to keeping in touch with the matter of credits. He, above all others, must become an authority on this phase of his trade. Business cannot be done without credit in South America any more than in any other part of the world. There are plenty of good concerns there as worthy of credit as any houses of like magnitude in the United States. I can think of certain houses in some of the most uncertain of these South and Central American republics whose credit I know to be A-1. Yet, I am sure that there are many American manufacturers who would

not do business with them except on terms of cash in New York, or against documents at the ports of entry.

The successful salesman in South America should be well grounded in the geography and in the economics of the various countries, generally speaking. If he is, when it comes to the matter of establishing agencies or dealerships, he will parcel out his territories intelligently. But often a man on a hurried trip will give to a concern in Rio the entire republic of Brazil, when he should more properly divide the country into three or four territories. There are sections of Brazil that are less remote and easier of access from New York than they are from Rio.

Again, the salesman will give the Argentine and Uruguay to one house in Buenos Aires merely because these countries lie close together. Perhaps he will even throw in South Brazil because the Rio concern does not want it. I know of a case where a house in one of the lesser ports of Chile had the entire territory of Chile, Bolivia and Peru for a well-advertised line. Why they ever took such a territory it is hard to understand, unless it might have been in the hope of unearned profits.

Most of the manufacturers who advertise receive letters applying for exclusive territories. The traveler who takes a file of such letters along with him on a trip generally finds on reaching the territory, that the applicants are but poor dealership material. There is a little cigar stand in Valparaiso that has the exclusive dealership for a well-advertised specialty.

Also, any experienced South American traveler can tell you about the trick of smothering dealerships; how in many cases exclusive dealerships have been accepted by houses that were at the same time engaged in pushing a parallel line, or at least had little or no facilities for actively taking up the new line.

**SOME** manufacturers feel that they cannot afford the expense of a traveler for their own accounts and will give their line to a joint traveler representing several lines. This might be all very well if the lines are not too numerous and diversified, and if the traveler really stops long enough to give attention to each line. But this is rarely the case. Even a specialist finds his time pretty well taken up with a single line.

The real sales organizer should be a specialist. He will not be content with merely hitting the high spots. It is all very well to persuade a house to sign a contract and place an initial order. But they have got to be taught how to persuade the public to take up the new line. This is where the real work of the sales organizer come in. Local material for salesmanship in South America is not abundant. They do not make good canvassers as a rule. Their conception of salesmanship is more in the line of over-the-counter business—of giving the public what they want when they come and demand it. (Concluded on page 52)





### In Time of War, Prepare—

**A**FTER-THE-WAR is a period which a good many nations are assiduously making as certain as any part of the future may be rendered by forethought and preparation.

Japan does not mean to be behindhanded in this sort of enterprise. It now has a mission in the United States which is endeavoring to discover more about our economic and financial tendencies in the post-bellum period than we ourselves know. Our probable gold reserve after the war, the eminence of New York as an international money market after the war, our possible interest in foreign investments after the war are but some of the subjects regarding which the mission is trying to gather an impression. Thus, we in turn become the subject of much the same kind of scrutiny as we have in times past devoted to other countries.

The Japanese are not alone in their forehandedness. The Norwegians have concluded that steamships will be very profitable investments and they have accordingly filled the British shipbuilding yards with so many orders for boats, to be constructed when the yards are free from government business, that what is to be done about the situation forms a theme for emphatic public discussion in England.

In England itself preparations for times of peace continue in the industrial world. Perhaps the latest event has been acceptance by the War Cabinet of a plan for bringing employers and employees together in agreements under which the economic advantages attained through war conditions of production may be kept for the era of competition which is expected to follow peace.

### Branding the Trade Traitor

**B**LACK SHEEP have happened in most families and all industries. Both in families and in industries the other sheep of the same flock have frequently, for a variety of reasons, been dilatory about labeling the recreant member for just what he is.

The manufacturers of hosiery in Pennsylvania, however, have recently given one of their members a taste of what his kind may expect. This firm was found to have shipped on a South-American order, for women's cotton stockings, "cash against documents in New York," a case of articles which had little in common beyond the circumstance that they had been made on knitting machines. Otherwise, they ranged from apparel which were indubitably intended to be men's socks, although the intention was very imperfectly attained, to women's hose which departed in erratic fashion from any semblance of conventional dimensions.

In this instance the American firm's name has not been made public, since there seems to be a possibility it was the victim of a knave who had purposes of his own to subserve.

If sharp practices at the expense of a customer several thousand miles away are actually brought home to an American house, it should be made known to its neighbors and to the whole public for just what it is. The man who for a bit of gain tries to bring the ideals of his fellows into disrepute is a traitor and should be branded for all the world to see.

### John Bull Counts His Money

**N**ATIONAL ECONOMY is the apparent purpose of a select committee of the House of Commons which was appointed in July and which at the end of October had reached conclusions which it embodied in a first report.

A more restrained document would be hard to imagine. Perhaps no other sort could be expected from a committee that was dealing with so delicate a question as the exact location of the dividing line between opportunities for economy and military purposes in connection with which monetary costs cannot enter the calculation.

Money-power, in the carefully stated opinion of the committee, is not without limit. Accordingly, the committee reminds the War Office that in its plans there should be consideration of finance,—perhaps the same sort of consideration as has been devoted to man-power, supplies of materials, shipping, and exchange. The government has made extended inquiries into means behind the lines in France, Egypt, and Salonica, and is putting into effect its conclusions; the committee wishes something of the same kind with respect to money-power.

The report in turn considers the Ministry of Munitions with its great aggregation of establishments turning out the supplies of war, the Wheat Commission which in August had a cash trading capital of \$240,000,000, and the Ministry of National Service, which has enrolled 351,000 men and 42,000 women, finding employment for 44,000 and obtaining loans of 68,000 men from the Army to work on farms. The last ministry had apparently been most free from financial supervision, perhaps because its expenditures had been least. The largest item was \$500,000 for a publicity campaign, and a little more than half was spent for advertisements in the newspapers.

The importance of conserving money-power the committee finds concretely in the increasing charge for carrying war loans. It estimates that this carrying charge grows by \$225,000,000 every six months.

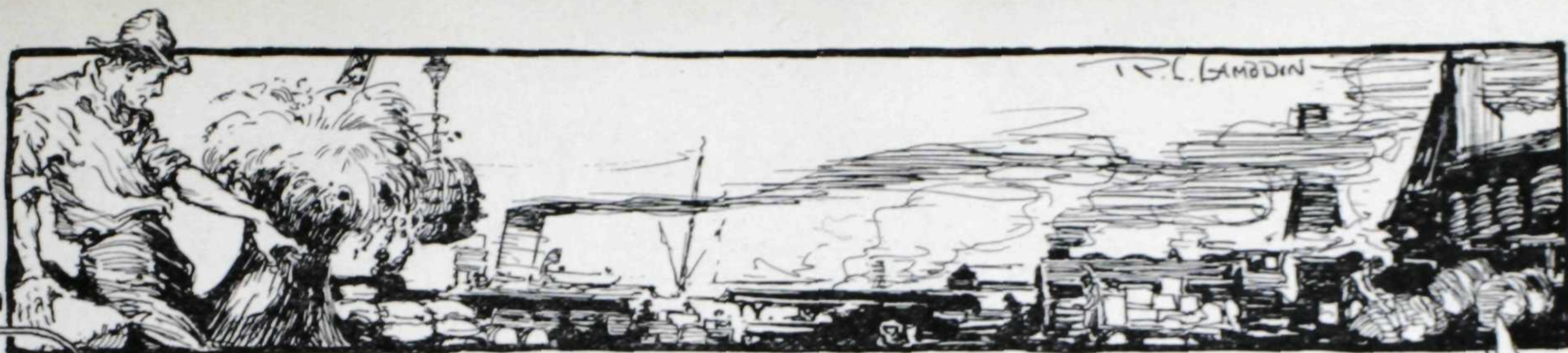
### Our Canal Begins Paying for Its Keep

**T**HE PANAMA CANAL apparently has more business than at any time in its career as a waterway. Few statistics regarding its traffic are now made public, but such as are announced show that 190 vessels with an aggregate

### More German Activity?

**S**AUERKRAUT bids fair, in spite of its name, to become a national dish at the Panama Canal. The official industrial laboratory at Cristobal has installed a plant for its manufacture and in advertising its new product quotes the Bureau of Chemistry's praise of kraut because of its lactic acid and its consequent benefit to digestion. The advantages of the Canal as a center for distributing a taste for kraut over the seven seas are obvious. As yet there has been no suggestion of any element of enemy propaganda in the kraut-making scheme at the Isthmus.





net tonnage of 584,000 used the Canal in September. This represents an annual rate of 7,000,000 net tons and tolls at a rate of \$6,800,000 a year.

The proportion of vessels under the more important flags shows some of the results of war. Between the opening of the Canal, on August 15, 1914, and July 1, 1916, forty-four per cent of the vessels passing through were British, 37 American, and 5 Norwegian. In September of this year the percentages were respectively 34, 30, and 15, and Dutch vessels numbered five in the month or almost as many as had appeared in the whole of the first year.

Of course, traffic at the Panama Canal will have to develop considerably before it reaches the estimate made in 1914, that it would represent 17,000,000 net tons in 1925, and even at the rate of September it is not earning interest on the investment of \$428,000,000, whereas the Suez Canal continues to return handsome dividends to its stockholders for their investment of \$127,000,000. However, our Canal in these days undoubtedly brings some handsome returns of an intangible sort.

### Rallying 'Round the Reserve Banks

**A**FISCAL AGENT is a very handy thing for a government to have. Our government fought shy of such a convenience during a good part of its career, but by a good stroke of luck in 1913 it perceived the error of its former ways.

The Federal Reserve System by which we more or less miraculously came in 1913, after discussions that got as far afield as "corn-tassel" currency, affords a great instrumentality of government. The twelve reserve banks become the agencies through which loans are issued and they place at the government's disposal with a minimum of dislocation of ordinary business the proceeds of loans and the returns of taxes. That they are no mean agencies appears in the billion and a half of gold reserve they held on November 16 and their total resources on the same date of \$3,012,000,000. Last June, when payments on bonds and payments of taxes came together the reserve banks saw the business through. This autumn there was a liquidation by holders of stocks which to years ago would have proved widely disturbing. To be sure, bankers themselves have contributed greatly to the ease with which great situations have been handled, but they have found the reserve banks a center around which to rally.

The New York Reserve Bank is naturally predominant. Its strength is evident from the circumstance that the average loans, discounts, and investments of its member banks in New York City during the week ended November 17 aggregated \$4,457,000,000, whereas those of non-member state banks and trust companies were \$298,000,000. In other words, the banking facilities in our great financial center

are really knitted together in cooperative strength.

What coordination of the banks in the service of the government means appeared in the payment to the government of the second installment of the Second Liberty Loan on November 15. Practically \$700,000,000 was then paid to the government, and \$450,000,000 of it went through New York without so much as the drawing of a check; the banks merely transferred credits on their books. Against \$174,000,000 more they set off certificates of indebtedness which have become due at the Treasury. The New York Reserve Bank stated that only \$48,000,000 of the payment involved cash or drafts.

### Crash—Goes Another Idol!

**T**HE BANK OF ENGLAND, the first of the great European banks allied with government, and for two hundred years the center of England's financial power, is coming in for a little criticism among its friends at home. The occasion for the discussion is the renewal of the charter. Quaintly enough, after we have become confirmed in the habit of looking upon the Bank of England somewhat jealously as a paragon, the critics intimate we have surpassed their own institution. For its reform, they say, "the American Federal Reserve System will provide an example and guide. It contains the best elements, collected after elaborate study, of all the banking systems of the world. There lies our eventual remedy." Like other reformers, these critics are enthusiastic.

No matter how gratifying this comparison may be to our own vanity, the critics have a further shock or two in store for us. They declare it is not a merchants' bank, although we have always supposed exactly the contrary. According to their point of view, the "merchants" are mostly bill acceptors directors of railways and insurance companies, brewers, hop merchants, wine importers, and international financiers. This part of the argument they cap with the statement that there is not a trained banker on the directorate.

In the general indictment there are some specifications of detail. The Bank is charged with holding large amounts of foreign bills "in cold storage."

After our panic of 1907 had demonstrated an efficiency in its store of gold, it is alleged not to have taken steps to arrange with other British banks for an increase in metallic reserves. It is even said to have carried so far the process of financing international trade and keeping foreign exchange open that foreigners were provided with British money to manufacture foreign goods that competed with British products made by the very depositors whose money was the basis of the advances!

The Bank and its friends do not appear as yet to have made a rejoinder. Meanwhile, the sum and substance of the matter may be that Englishmen may be demonstrating their loyalty to the Anglo-Saxon principle of getting (Continued on page 36)

### Shades of Commodore Perry!

**C**OMMON Selling Agencies for foreign trade would probably be one of the developments among American exporters if the Senate would pass the Webb bill.

The Japanese do not have to await any such legislation. Recent incorporation in Canada of the "Associated Industries of Japan," which is understood to represent some one hundred sixty Japanese manufacturers, calls attention to the circumstance that foreign competitors have no difficulty in entering the North American markets with the very kind of cooperation among themselves that American manufacturers at present hesitate to undertake for their own export trade.



# Hon. Congressman and the People's Money

**W**HEN he arranged his scene for "The Last Christmas Tree," James Lane Allen portrayed the time "when the cold at the north will have moved so far southward; the cold at the south will have moved so far northward; the cold in the upper air will have moved so far downward, that the three will meet and when they meet there will be for the earth one whiteness, one silence—all troubled and untroubled things will be at rest."

Coming back to here and now, the geographical collapse by cold seems somehow to rhyme with the miscarriage of the popular game of getting ahead as practiced in peace times. That it was only a game we in the family always knew, however foreigners may have misjudged us. But the value of commodities has moved up so high; the value of human life has moved down so low; and all around the pressure of the task ahead is so heavy, that troubled aspirations for gain are well nigh at rest. Most Americans feel now that they are engaged in a big pooling enterprise, and admit individual gains only by way of pride in the amount of taxes they are paying to the Government.

What will become of the Honorable Congressman whose care it has been to harp upon the people's money? He will awaken, or else he will never know what happened to him. If gentlemen cry out that the people are anxious about how their money is being spent, gentlemen perfectly well know that the people are not anxious. Congress is expected to spend money, plenty of it; and Congress by this time pretty well knows it.

## It's the Principle

**O**N a day in May, when the Senate Finance Committee took up the consideration of the first war revenue bill, a gentleman who stated that he represented 55 per cent of the industries upon which the United States depended to equip the Army spoke thus:

MR. JAMES A. EMERY, representing the National Association of Manufacturers, the National Founders Association and the National Metal Trades Association of the United States:—There are very many matters in this measure in which we are interested, but we are more concerned in the principle upon which this tax is to be laid than upon the amount of the tax that is to be levied.

**A**UTOMOBILE manufacturers, for example, were hurt in their feelings more than in their pockets on account of the company they were compelled to keep in the tax bill:

MR. FREDERICK I. BARROWS, representing the Lexington Automobile Co.:—I think the public is making a mistake and I think the committee is making a mistake when they put the automobile into a class along with things that are of no utility at all—for instance, with chewing

**In the Intimacy of Committee Hearings on Taxes He Comes Face to Face with the Man Who Pays the Freight, Discovers the Importance of Tiddle-de-Winks and Soldiers' Amusements, Learns What the Automobile Maker Thinks of the Movies, How the Cinema Magnate Scorns Chewing Gum and Marks the Breaking of the Vicious Circle through the Haughty Silence of the Chicle Interests**

By MARY E. LAZENBY

gum and moving pictures. If there is an accident of any kind to a train, you get your automobile down there and if there is a wreck you bring those people home and take care of them. If somebody is sick in your family, you call for your physician and he has an automobile and is able to get to you quickly. Suburban residence has become possible for people who formerly lived in congested parts of the large cities and who are now enabled to live in the suburbs because of the automobile, even where they are within or without the reach of the trolley lines.

I wonder how in the world a \$500,000 company is going to buy \$500,000,000 worth of material, with the market going down for automobiles and people saying, "I guess the Government does not want us to use automobiles because it is not patriotic to use them." I do not believe the Congress of the United States will tell the people that this necessity for health and for business purposes is in the same class with whiskey. I do not know but what I like whiskey—I would not say—but I will say this, that I do not think that we are on a par with that. Here is a business where there are 250 or 300 men who are putting together the stuff that 5000 men are building in different parts of the country. Down in Mississippi they saw up the wood for our

once a month, and if we could make 5 per cent during the coming year on what I can turn over I would be tickled to death. I do not know much about selling, but I do know that when they telegraph us from all over the country to hold up their orders until they know what is happening that it means a very serious condition for us to handle.

MR. SIMMONS, of the Senate Finance Committee:—Perhaps a lot of people have decided to stop using automobiles and are going to get Fords.

MR. BARROWS. That might be so. If the Senate wants us to do something else besides make automobiles, and let them ride in wheelbarrows, just let us know. We do not want to stand back on any proposition of that kind.

When the first news of the war came we telegraphed a positive offer of our services to this Government. If you think the tax is not high enough we are not standing back on that, but we do want to be treated as other manufacturers, and we do want you to recognize this product of ours as a necessity, a useful thing, and not a harmful thing.

## On the Importance of Being Amused

**S**HOWMEN, music venders, and motion picture concerns do not wish to evade the tax; but they really would like to see it applied so as not to interfere with the necessity of the people to be amused, even in war time. "If my son can die for his country, surely I can sing for it," is Harry Lauder's melancholy task of merrymaking. It is a dignified and a serious business, that of amusing the people; and those who follow it desire to be taken seriously, as witness herewith:

MR. JOHN M. KELLY, representing Ringling Bros., Barnum & Bailey, Adam Forepaugh and Sells Bros.:—What are they going to do with the horses and elephants and other animals? They eat their heads off if they are retired. So the show must go on, and these men will strive to have that show go on and bear its burdens, and collect for the Government its revenues, as long as a camel bears a hump or a zebra wears a stripe. And a patriotic effort will be made to collect for the Government any tax you may impose.

MR. WILLIAM A. BRADY, President of National Association of Motion Picture Industries:—In your present trouble, as patriots, we are willing to be taxed as much as any other industry in the country. But we do not want to be looked upon as we apparently are by a gentleman who spoke for an industry a moment ago, when he said, "Don't tax us; tax motion pictures and chewing

gum." We resent that. We are a respectable industry. We have artists and we have authors. We have Sir Gilbert Parker, we have Sir Herbert Tree, and Sir George Alexander; we have the leading actresses of the United States, the leading actors of the United States, the leading newspaper men of the United States, the leading authors of the United States, writing for the screen. By what right does that gentleman say,



The automobile men want to know if the senators would like to travel in wheelbarrows

frames; other parts are made in Pennsylvania and some of them in Connecticut. We buy a lot of stuff there. There are 450 different classes of material go into our little automobile, and if we are shy one of them—bingo! we can not ship!

My main business is not to talk, but I do know how to get this stuff together and get it matched up, and to turn this stuff over to the extent of the amount of our capital stock of \$500,000 about



"Tax chewing gum and motion pictures?" The motion-picture business is just as respectable as the automobile business. It has had fewer failures.

If it is true that Mary Pickford is getting \$1,000,000 a year, then Mary Pickford is going to pay \$333,000 this year to the United States Government. If it is true that Douglas Fairbanks is making \$1,000,000, he will pay \$333,000 this year to the United States Government. That comes directly from the motion picture business if you get it from the actors; and we hope you do, because the actors are getting it all. [Laughter.] . . . You say, and very rightfully say, "Gentlemen, you must be making an awful lot of money, because we read so much about it in the newspapers." Showman's brag and bluster! The natural inclination of the showman is to exaggerate by 1000 per cent. We have a great national figure who indulges in that same practice, a natural-born showman. [Laughter.]

SENATOR THOMAS. We will tax him.

MR. E. B. BARTLETT, President of National Piano Manufacturers' Association. If there is any time in the history of the Nation when we need to keep up the spirits of our people, when they must have suitable entertainment and recreation, it is now. I know of nothing that contributes more to the peace of mind and to the happiness of the people than music. It is considered essential in the hospitals for the wounded. They are even using it in the insane hospitals. It is being recognized as a very valuable agent in that direction. Let us not burden it any more than we are obliged to.

If I had time I could give you the whole history of how this piano business is handled, but my time, I imagine, is about up, and you might not be interested.

The CHAIRMAN [SENATOR SIMMONS]. The clock has stopped.

MR. BARTLETT. I have been told my face would stop a clock, but I did not think my voice would.

#### Provision for the Invalids

THE soothing click of millions of knitting needles might put sanitariums out of business, were it not for the ghastly contingency mentioned by the Superintendent of the Government Hospital for the Insane as he appears before the Appropriations Committee to ask for money to enlarge his accommodations:

DR. WHITE. We have the right to expect at least 1000 insane for every 500,000 that are added to the Army under ordinary conditions, and we know from what has been experienced in Canada, if we are to expect the same conditions that the Canadians have had, that approximately 20 per cent of the troops that are invalided home are mental and nervous cases. They have brought home something like 40,000 troops. So that we are bound to have a very considerable number of them.

The CHAIRMAN [MR. FITZGERALD] of the Appropriations Committee. Forty thousand invalided troops?

DR. WHITE. Yes; that number has been sent home on their hospital ships, and 20 per cent of those are mental and nervous cases. We also know that the English and French did not make adequate provision beforehand for their insane and they have had a great deal of trouble with them as a result.

#### A Champion of Three-Fingered Mike

THE publishers and the Secretary of War enter their plea for the necessity of keeping the civilian and military population mentally diverted, with identical observations as to the development of taste:

PROFESSOR J. W. LINN, OF CHICAGO. There are millions and millions of our people who don't get as far as the high schools. They are a tremendous force in the Nation. And they will either read, to start, what you call poor stuff, and what is poor stuff, or they won't read at all. Which do you prefer, gentlemen? When I was

a boy there were not so many magazines, so I read books; but what books? Good books? Why, when I was on my good behaviour I read Harry Castleman, and the Elsie books and Oliver Optic, and you know what they were like. When I wasn't, I read nickel novels—Three-Fingered Mike, or a Bucket of Blood. They are hard to get now; the magazines have driven them out. The point is that I established the reading habit



"We will tax him"

on poor stuff; then I read better stuff; now I can take even the Congressional Record and understand quite a good deal of it. [Laughter.]

If you say to your country population, "Here, we'll cut off these magazines and newspapers," they won't read at all; and you will strangle them as surely as you would strangle a baby if you said, "Here, we'll cut off your supply of milk and water, and you can either eat bread or starve." You give the baby what it can digest and by and by it can eat bread. You let these people start the reading habit, and by and by they will get up to Shakespeare and the Congressional Record.

One of the famous adages of Ben Franklin was that a full bag stands erect. Gentlemen, the publishers' bag is not very full to-day. The only thing we have that we can boast of is our courage, and we will ask you, Mr. Chairman, to let us keep our courage, so that the bag may stand erect with courage, full of patriotism for our work.

#### Digging Out the Glooms

THE CHAIRMAN [MR. FITZGERALD]. What is the importance of providing for these continuous performances, as I suppose they are, at these training camps?

SECRETARY BAKER. It is very important. I have had some personal experience with that. There are two or three regiments in camp around Washington at this time, and the effort has been made to supply them with amusements, such as singing and more or less amateur performances, and some volunteers from the professional stage have given entertainments for the young men, and it has proved to be an exceedingly valuable thing. It is valuable in preventing homesickness and in wearing away the tedium of unoccupied leisure, which is something that destroys the spirit and morale of troops.

The CHAIRMAN [MR. FITZGERALD]. Is it the purpose to have in these camps sufficient entertainment and amusement to make it less imperative for the men to go on leave?

SECRETARY BAKER. Yes, sir; the purpose is to make camp life more satisfying.

The CHAIRMAN. And it is in the interest of morale and discipline?

SECRETARY BAKER. Yes, sir.

The CHAIRMAN. Mr. Fosdick is at the head of the committee?

SECRETARY BAKER. Yes, sir; he is at the head of that committee. Col. Pierce, who is here, is a member of it, and he may be able to recall additional items that they have in mind.

COL. PIERCE. There are moving picture shows and all sorts of entertainments of that kind, just as they have on the western front in France to-day. They have it in order to keep up the spirits and morale of the men.

SECRETARY BAKER. There is one very interesting thing that ought to be stated: The early British experiments at recreation and entertainment in the camps were of a very light variety, but gradually, at the instance of the men themselves, the recreational activities became more and more serious and more and more valuable to the men. That is to say, where they would start out by supplying minstrel shows, the men after a little while grew tired of the minstrel shows and wanted more serious things and more helpful things brought to them. Consequently we believe that the activities of this committee will lead to a constant improvement in the character of the entertainments and in their helpfulness to the men, both while in the Army and after they leave the Army.

#### Keeping the Sailor Happy

AND the Navy needs money, too, to keep its men amused. "Be good and you will be happy" does not work half as well as the other way around.

The CHAIRMAN [MR. FITZGERALD]. You have, all told, in the Navy, in round numbers, about 200,000 men?

COMMANDER OVERSTREET. Yes, sir.

The CHAIRMAN. And you want half as much money as the War Department wants to amuse a million men?

COMMANDER OVERSTREET. This will allow an average of something like \$1.50 per man. As the Army will have larger numbers in their camps the average cost per man would be less.

The CHAIRMAN. How is the estimate of \$250,000 arrived at?

COMMANDER OVERSTREET. We figure that we will have about 25 stations; that we would give an average of about \$10,000 to each. The stations will average about 5,000 men. Of course, the Navy Department will prorate the money. It is hard to keep the men contented and happy, and if you give them baseball for the daytime and moving pictures at night, it is very desirable.

The CHAIRMAN. Does that have any appreciable effect on the discipline?

COMMANDER OVERSTREET. Yes, sir. If we can not furnish the amusement, they will want to go on liberty and go looking for trouble. If you can furnish them with the moving pictures at night, they are contented to stay at home. It is the old problem of amusing them at home rather than letting them go out and go into the saloons and get into trouble. If you can content your men in these camps, it means a great deal for discipline. This question of liberty, letting the men go out, to be gone over night, is a hard thing to handle in handling the enlisted men. I have seen men on the ships at the New York yard fairly contented if you give them amusement at night. When you are near a city—I have been aboard ships in the New York yard a great many times—it is a hard problem to keep four or five hundred men on board the ship at night when the lights of the city can be seen by all of them; and the same thing applies to the camp, if they are at a place where no amusement is going on. In the fleet they have been able to keep the men contented and happy by having the great baseball fields. They have baseball tournaments and competitions between ships and on the ships between divisions of the men. We have 70 or 80 men to each gun division. If you have eight gun divisions on a ship, you can get competition between them. That works for the good spirit of the ship. If you can work up a good spirit, you are bound to have a good ship. The happy ships are always the most efficient ones. That is the secret of an efficient ship—to keep the men happy and amused.



### Santa Claus Still Neutral

**E**VEN if the grown-up has to curtail his allowance of sports, the young American must not be deprived of his Christmas toys in deference to thoughtless phrasing in a war tax bill:

I would like to suggest that in place of "games and parts of games," you insert "sport and athletic games and parts of such games," which removes some toys and games for little children what now bears down upon that class of articles. I am sure what they intended to say was croquet and dominoes and games of skill which are used by adults, and not games for little children.

We are entirely ready to pay our tax upon any of these things here which are mentioned, upon any of the sporting-goods items that we make, entirely ready, and in that class are named a good many games or subjects which we do manufacture. But we are sure, from the omission to tax toys, that there was no intention to tax little children's games, like authors, tiddle-de-winks, old maid, snap, and such articles; and really if they were taxed, they being highly competitive goods, there would really be no profit left upon that large portion of the business. We are quite willing to pay on ping-pong, diabolo, checkers, backgammon, and croquet, and all the other articles which are named there.

### The War Merits of Millinery

**C**HAUTAUQUA orators and trade papers are alike patriotic: but whether gentlemen appreciate the merits of the millinery trade papers is open to question:

SENATOR STONE. Would it be possible to tax Chautauqua orators a certain percentage of their receipts without passing it on to the consumers of the oratory? [Laughter.]

SENATOR LA FOLLETTE. I paid an income tax on \$10,000 on earnings two years on the Chautauqua platform.

Senator Gore. We are willing to pay a fair tax.

MR. ARTHUR J. BALDWIN, Vice-President of Associated Business Papers, spoke thus: Millinery—does that mean anything to you gentlemen? No; but it means a lot to your wives. It means to the citizens of America that when a lady steps off of the train at Grand Central Station you can not tell from the hat she has on whether she comes from Peoria, Ill., or Boston, Mass. [Laughter.] It is because of the service of the trade papers that give the fashions from one end of the country to the other that makes it possible. It unifies us and helps to make us one people.

Even so frail an agency as millinery need not be ignored in the unification process at a time when stock in crowns, the historic unifiers, is tumbling. But when the force of unselfish patriotism, feeling its way in the country now, is fully awake, all lesser agencies may become insignificant.

**A**N English review comments thus upon our position in the war:

"He (President Wilson) obviously cares little for material advantages, and in his eyes his American republic is not of this world. He entered upon the war in the spirit of the Knights Templar. From the White House, a shrine set apart, any surprises may issue. We, the allied nations, have arrived at a stage of the war when we shall have to accept what President Wilson offers. . . . America's ideals are not ours. We have to pretend that they are, but they are not.

"America may be right, for she is great and young, while England is great, but old, and France is older still. We in England cling, and so does France, to material gains, to the outward and visible signs of victory. Reconciliation of our ideas with those of President Wilson is essential to any enduring peace, but it is so difficult that only an unprejudiced mind can hope to find the way. . . . France and England require, at the present juncture, rulers who are young."

## Business Faces the Actuality of War

The Contribution of Industry to an Allied Victory and Preparation for Peace Will Be the Keynotes of the Sixth Annual Meeting of the Chamber of Commerce of the United States To Be Held in March

**D**URING three days of the week of March 18, 1918, the Sixth Annual Meeting of the Chamber of Commerce of the United States will be held in Chicago.

Two years ago, or even a year ago, such an announcement would not have aroused much more than passing interest in those not members of the Chamber. The events of the past ten months, however, have enabled the organization to prove its mettle before the whole world.

The Fifth Annual Meeting was in session in Washington when Germany took the action which made war with the United States inevitable. Up to that time, the general public was likely to look upon these meetings merely as gatherings of business men for the discussion of problems of trade. The more splendid character of this movement, however, for the unification of the business men of the country was made manifest by the dramatic developments of the last days of January of this year.

At the very beginning of the greatest crisis in our history, the business men of the country were united. There was one voice to speak for the business of the country. It spoke for patriotism before profits, for sacrifice on the part of everyone (business men included), for unflinching support of the government, come what might, cost what it might.

That meeting gave shape and direction to the course of the business man in this war, and the fruits of its work have been apparent in a thousand ways. The public has become more familiar with the purposes and activities of the Chamber, and appreciates the fact that what it stands for is the unification of all our resources and energies and their effective use in the country's welfare.

The Fifth Annual Meeting saw war as a possibility. It counseled business as to what it should do for the common good in the event war did come. It had before it the lessons of our past conflicts. It had before it the lessons taught by the present war in Europe up to that time. What it had to say, however, was more or less prophetic. It could only try to forecast the future, speculate as to what that future was to bring forth, see, as well as possible, the situation which war would create, and lay plans to meet it.

The Sixth Annual Meeting will see war as

an actuality. It will know by experience what conditions have resulted. It will know better what action on the part of business is required. While the programme for the meeting has not yet been arranged, it is safe to say that war will be the great topic of discussion—how business men can and should contribute to the national defense, how they should prepare for the period of reconstruction which will come with peace.

### Business Makes Recommendations

**A**CTING on the principles which led to its organization, and under the immediate impulse of its dedication at the Fifth Annual Meeting to complete and unselfish cooperation with the government in war work, the National Chamber has given its service a free hand to everything which could promote the general good. It has a long record of unselfish endeavor to review at its next gathering, and more seasoned plans to lay for the future.

Two subjects which have engaged the attention not only of the National Chamber but of each of its more than 900 constituent organizations will no doubt receive consideration at the coming meeting. Those subjects are railroad regulation and the control of prices during war—the first a question of tremendous importance not only during war but afterwards, the second of vital importance as a war measure.

Both of these matters have been thoroughly gone into by committees of the National Chamber and voted on by the organization members. In each case, a Chamber policy has been formulated, a national policy adopted by the business men of the country.

On both these questions the recommendations of the committee were sustained by an overwhelming majority. These recommendations, with the vote, follow. It should be borne in mind that these are not expressions of opinion by individuals, but by organizations, the result disclosing the mind of approximately half a million of the most intelligent and progressive men of the country engaged in commerce and industry.

### Railroad Regulation

**W**ITH regard to railroad regulation, the committee recommended that:

Provision be made for federal regulation of the issuance of rail- (Concluded on page 39)

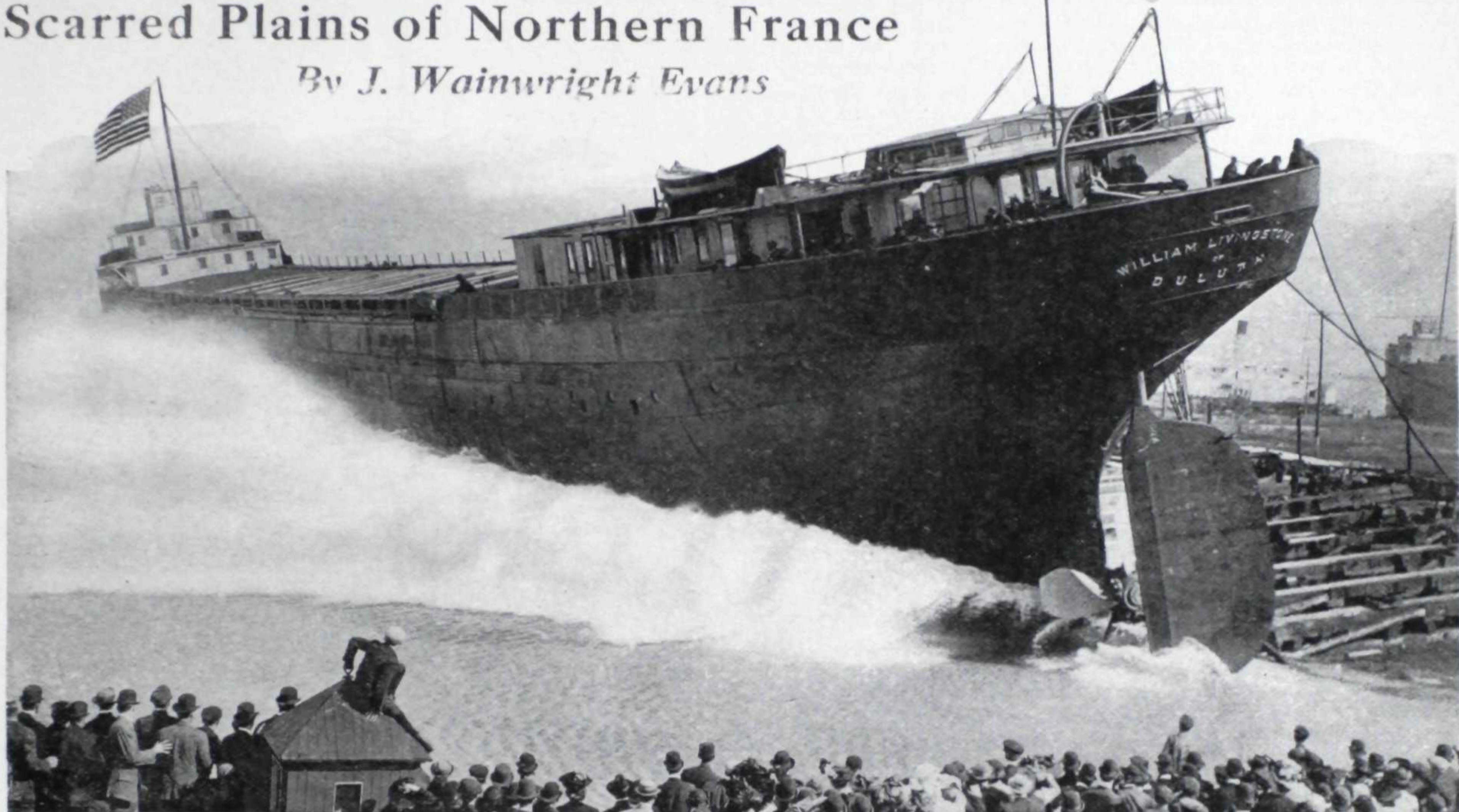




# The Question of the Ships

Where the Program Stands, What Is Being Done, and What Must Be Done If We Are To Hold Our Scarred Plains of Northern France

By J. Wainwright Evans



**T**HE biggest, most difficult job in the world to-day is the task of saving civilization by the building of ships. We need nearly eleven million tons more of ships right now than we have. The Shipping Board believes one million tons can be built by March, and possibly six million by the fall of 1918 and the rest must come later. But no man can say with certainty that this can be done. It depends on many things—labor, material, adequate organization, and—at bottom—on the men who will guide the work; that is, on the Shipping Board and the ship-builders.

The shipping men, as compared to the tremendous task ahead of them, are a mere handful. They represent an industry which we have for a half century neglected and failed to develop, and thus it happens that this responsibility, this unequalled opportunity, by some irony of fate, has come upon them unprepared. They have it all to do. They must build from the ground up. Comparatively unorganized and undeveloped, lacking equipment and the machinery for concerted action, they must almost in a twinkling multiply the shipping industry by fifteen.

Can it be done?

The answer is that it must be done, and is being done; and if progress seems to be slow it must be remembered that the start of a great enterprise is necessarily slow. We shall do it; it will be an epic achievement.

I recently looked at a body of them gathered in conference in Washington, and listened while they discussed their problems. And as the size of their task and the greatness of their burden came home to me, I realized almost with despair that after all they are

just men—not supermen. But they have it to do; and when they have done it, as they surely will, it will need a Homer to sing their Iliad.

It is for them, with the cooperation, guidance, and backing of the Government, to pick, choose, and decide. Time is precious; mistakes will be costly and may be disastrous. They know it; and the whole nation must learn it, so that it may stand ready to fetch and carry at the call.

And that call—it runs even now along the whole Atlantic seaboard from Maine to Texas, and it comes fully as loud from the great Northwest. And it isn't merely the seaboard that feels the pull of it. Material, supplies of every kind, labor in abundance—all these are setting in a strong current toward the ship-yards; and there isn't a channel of our industrial and social life that is not feeling the pull of it.

Producers who have never thought of connecting themselves with ships or the making of ships, are converting their factories and their methods to supply what is asked for. A maker of dairy outfits in Grand Rapids finds himself turning out ventilator hoods; a manufacturer of rivets finds his orders climbing the curve with a rise of forty-five degrees; a stationary engines man changes his methods to turn out marine engines; and his call for material wherewith to do his work is felt from the copper mines of Michigan, to the coal fields of Virginia.

## A Steel Hungry World

**T**HE railroads need steel plate; but our output of steel plate is 1,850,000 tons a year; and the government has taken 1,600,000

tons of that. And there isn't a man in the country who doesn't feel it, either in the inability of his grocer to supply him with some trifling luxury marked "non-preferred" on the shipping lists, or some necessity, like coal, for which there seems to be not enough cars to meet the need.

The forests of the South and the Northwest feel it too. Five hundred million feet of southern pine, one-sixth of our yearly output, is being rushed to the coast for wooden ships—and that demand will steadily increase as our capacity for shipbuilding grows. Huge shipments of Douglas fir are being carried by the hard-pressed railroads from the Pacific to the Atlantic coast that there may be a sufficiency of the big logs for keels, frames, and keelsons which the southern forests find it hard to supply.

## New Keels for the Pacific

**S**TEEL plate is pouring in a steady stream toward the yards of the Northwest, where they are building steel ships already at a tremendous rate because they began work on ships long before the eastern yards got into action—the cause being the withdrawal of ships from the Pacific coast for the Government.

Great yards are being built at many points along the Atlantic Coast for the construction of fabricated ships, capable of being put together like a Ford car. They will be of 7,000 tons burden, sheer-sided, flat-bottom, clumsy looking boxes, but capable of skimming the surface of the ocean at the rate of 16 knots—the speed necessary for dodging the ubiquitous submarine. We shall want 450 or 500 of them just as soon as they can be launched, so that we may get without delay the tonnage urgently



required for our immediate needs—about three and a half million tons.

To assist in the standardization work, Mr. Henry Ford has recently become connected with the Shipping Board, so that the Government may have the benefit of his experience.

One of these great fabricating plants now in the process of construction is already announcing that it will need 25,000 men, and that it will want them soon. And those figures lead at once to another phase of the task these men are undertaking. Ship workers are not to be picked up on every corner. There was a day when the Atlantic seaboard swarmed with ship carpenters, men capable of laying a keel or making a belaying pin. They had scores of specialties, every one of them calling for a high degree of skill and long training.

#### Wanted: More Carpenters

**T**O-DAY it would be possible to put what is left of that generation into one small room. With the disappearance of our merchant marine from the seas, their trade went practically out of existence. So here we are, with scores of contracts out for wooden ships; and the problem ahead of training men for the work.

It is the same with the steel ships. We need, according to the Department of Labor, 150,000 men, 30,000 of them common laborers and helpers; 60,000 semi-skilled men, such as riveters and the like, who simply have to be taught a process; and 60,000 craftsmen, skilled men who know their work from start to finish.

That requirement would give all the men needed and care for a normal turn-over besides. At present the turnover is about 300%, at which rate, to get our quota, we would have to find about 600,000 men—a thing practically impossible.

Unless that great turn-over can be reduced to something like reasonable proportions, the labor problem of the shipyards can't be solved. In that alone the ship-builders have a man-sized job on their hands; and the task is further complicated by every

ramified question that the present restive conditions of labor can produce.

The reduction of the turn-over will probably have to be accomplished with the aid of the Government. What the present trouble amounts to is this:

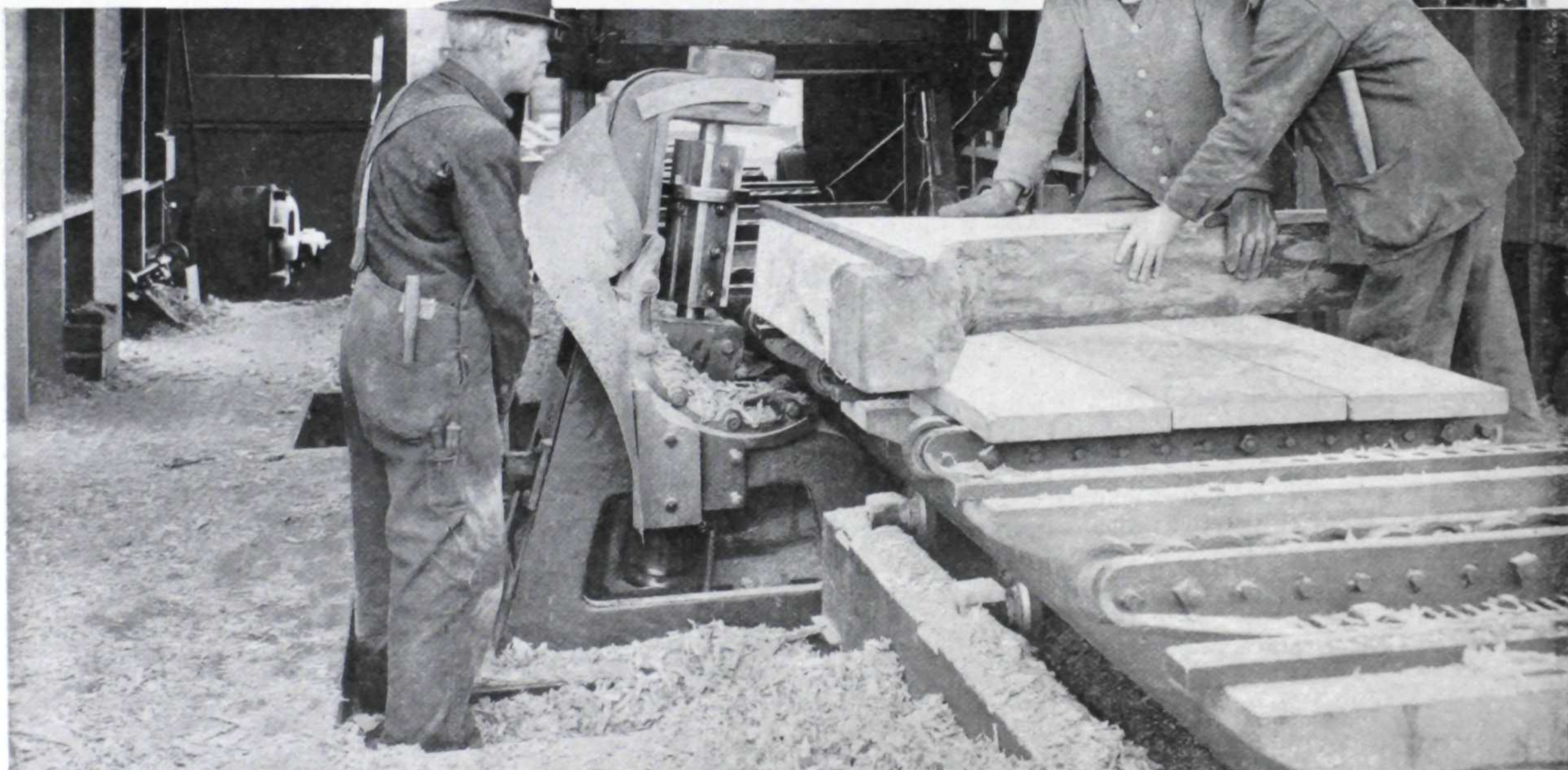
Out of, say, five men employed, two are discharged as incompetent by the foreman, two get disgusted and quit because the job, wages, or something else doesn't suit; and one stays. The cause is partly haphazard methods of employing men, without regard to their fitness for the jobs they are put into; and this is true of practically all of the expert and unexpert men employed who have had no previous acquaintance with shipyard work.

To meet the problem of placing men where they will fit, a unique training school was opened on November 15 by the Emergency Fleet Corporation at Newport News, Virginia, under the direction of O. O. McNarry. To this school and to others like it which will be started before long, the shipyards are requested by the Government to send a steady stream of their best skilled men. The Government will pay five dollars a day to the yards for each man. These expert craftsmen will then spend six weeks at the school, not learning new things about their trades, but learning how to impart their knowledge to new and untrained men. Most of these men know how, but they are lost when it comes to telling what they know to somebody else.

#### Hurry-up Vocational Courses

**A**T the end of his six weeks' training the craftsman returns to his yard, and there takes in hand the new men to whom the foreman has never hitherto had time to give proper individual attention and instruction. He becomes a sort of assistant foreman. He gives guidance to the novice, showing him the various processes as the need arises. If the new man doesn't fit, he isn't discharged. He is tried out somewhere else; and every effort is made to place him where his pre-

(Continued on page 38)



The big problem in building wooden tonnage is the shortage of ship carpenters. American ingenuity has helped out by coming forward with this new planer and shaper. In dressing the rough Douglas fir knees used for braces, the planer can finish eleven in fifteen minutes—a job that would require twenty hours hand work by two men





# Housing 397 Acres of Industries On 200 Acres of Ground

## Old Man Science is the Magician Called in by This American City to Build Its New Factory Center

By DOUGLAS A. FISKE

PETER HELE, the 16th century Nuremberg clockmaker, was often at a loss to tell the time of day, because he couldn't carry one of those ponderous clocks of his around with him. Perhaps he gossiped too long that day with a neighbor and was late in keeping an appointment; at any rate, he stopped clockmaking long enough to look a little more closely into the mechanism of a timepiece and discovered that by substituting a spring for the weight he could make a clock small enough to carry in his pocket. So came the watch into existence, and from being a prince's luxury it has become Everyman's necessity, because in supplying his own want Peter Hele supplied the universal need of mankind to know the time o' day.

The City of Minneapolis is the Peter Hele of this story. Its business men saw industrial establishments passing it by in favor of other towns, and they set about creating an ideal industrial center which would draw those concerns to Minneapolis. In fixing a standard of excellence for itself, with the single idea of its own development, the city has pointed out one of the cures for a wide-spread industrial evil of the nation.

### Saving Time and Money

LOOK at the industrial map of any large American town and note the number of railroads and the corresponding number of freight stations scattered here and there. Locate the manufacturing establishments marring the beauty, many of them, of large areas throughout the city. Now do a little sum in arithmetic. Suppose there are nine freight stations, as there are in Minneapolis, and that each industrial concern has a shipment to deliver to each station daily. Compute the time this requires; compute wages, switching charges, outlay for horses, wagons, motor trucks, every item, in fact, that enters into the cost of making those deliveries. Next imagine that all of those concerns have been picked up and set down into an ideal industrial district, such as Minneapolis has provided, in which goods in less-than-carload shipments can be trucked over a short, direct paved thoroughfare to a central freight station for any of the nine lines. Now, how much do those concerns lose in money and efficiency because of our wasteful American habit of having nine freight stations instead of one, and hundreds of small industrial districts in a city instead of one big one? Remember how much time Peter Hele would have lost if, instead of inventing his watch, he had gone home every time he wanted to know what hour it was. If you are fond of arithmetic, you might do this additional sum: how much would those concerns gain by being located in an industrial center with a central freight station in better satisfied customers by the time they would save in getting their goods to them?

But economy of money and time in making deliveries is not the only advantage accruing to Minneapolis from her new district. She

gains immensely in saving of ground space by providing locations in symmetrically planned layout of streets and tracks that permits the use of every square foot of space for industrial purposes, eliminating deformed areas due to curved trackage. Every time 90 degrees of 12.30 curve are used in a trackage layout approximately 4.8 acres of building site is deformed. To illustrate the advantages of scientific platting, it is asserted that all of the industries in the 347-acre central industrial tract of Chicago and all those located on the

BETTER streets in American cities and shorter distances between factories and freight stations may save the lives of American soldiers fighting in European trenches. For that reason, among others, the recently completed industrial center of Minneapolis has national significance.

Months before we declared war, the United States took stock of its industrial plant in order to find out what might be expected of each one in the making of munitions. An important phase of the inquiry was the question, how much time is consumed in getting materials from a factory to the freight station or stations (sometimes there are a dozen) of the town? Are the streets asphalt roadways or a succession of mud holes? Are they as a rule congested or is traffic free? How far from mill to station? Is delivery by horse and wagon or motor truck?

The connection between ideal conditions in this regard and military preparedness is obvious. Minneapolis has provided the ideal conditions. Grouped around a central freight station serving the nine railroads entering the city are factory sites from which goods can be trucked over short, direct, paved thoroughfares. Thus is worked economy of time, labor, wagons, motor trucks—and possibly soldiers' lives.—Ed.

50 acres of industrial area in the Midway District of St. Paul could be accommodated on the 200-acre Minneapolis site, proving the interesting fact that the average manufacturing concern has to buy twice as much land as it can actually use in order to compensate itself for the deformed areas caused by curved trackage.

### Converting an Industrial Slum

ANY supposedly good-for-nothing piece of waste land, an eyesore to the citizens, has disappeared in the making of the Minneapolis Industrial District. Other American cities have their industrial centers, but none of them, it seems, has gone about the task with the thoroughness of Minneapolis nor with such a working together of all forces, business men, municipality and railroads. Minneapolis had tried for 29 years to get an industrial center, but it was not until the Minneapolis Civic and Commerce Association took the matter in hand and organized the Minneapolis Industries Association that the face of that waste tract of land was changed.

Six months were devoted to studying street arrangements, trackage layouts, parkways, terminals and the hundred other details of an ideal industrial city. Types of buildings were investigated, and at length we had under consideration 14 different ways in which our dis-

trict might be laid out. Then we went through the country and had our plans criticised by the engineering departments of the big railroads, the association in the end adopting the system of long ribbons of land. Our plan was approved by all the railroads entering the city and they at once extended their joint terminal into the district and established thereon the only union freight station in the city.

### Advantage in Moderate Prices

NINETEEN months after the first sketches of the preliminary layouts were started the district was complete, with trackage, railroad yards, macadamized streets, sewer and water mains and parking. Each manufacturing site is set apart and is provided with every facility.

Free sites and bonuses are not the Association's method of bringing industries to Minneapolis. We believe that the best interests of the city are served by offering them ideal facilities at moderate prices in a modern industrial district—prices which enable them to conserve their capital and at the same time obtain those industrial advantages that hitherto have been available only to large establishments commanding unlimited means.

An industrial slum, I have always felt, is just as undesirable and dangerous to a city as a residential slum, and we have taken pains to see that the Minneapolis district be developed with a special regard to modern building standards and proper industrial surroundings. The district in fact, despite the roar of its furnaces and the whirl of its wheels, is being made into a huge industrial park, with macadamized streets, trees

and grass plots. The buildings are to be fireproof, and the Association controls, in an advisory way, the general design of the exteriors, in order that the buildings will not be out of harmony with their neighbors. Ample space is provided between buildings, assuring minimum insurance rates and the maximum of light and air, and there is a ten-foot grass plot between the buildings and the sidewalks. A location surrounded on north and south by a desirable residential district provides the possibility of attractive homes for employees within walking distance of their work.

It is literally true that the crooked ways have been made straight for our new industries, because the municipality has spent something like \$400,000 in street improvements, including the straightening and widening of thoroughfares, and in sewer and water extensions; the railroads spent perhaps \$50,000 while the outlay of the Industries Association will exceed \$500,000.

Minneapolis did not follow haphazard methods in making its dream come true. It went about the matter in business fashion.

Is the example of Minneapolis worthy of the consideration of the country in its efforts to attain that industrial efficiency which all agree we as a nation must attain if we are to find our place in the sun?



# New Castles of Commerce in Old Spain

Their Tall Chimneys Bear Witness that the Erstwhile Languorous Land of the Don Has Accomplished an Industrial Revival of Which the Vast War Trade Is a Climax

By H. T. CRAVEN

THERE is at least one "war bride" whose espousal of prosperity is likely to be permanent. Moreover, Spain's new contract with national welfare is based on considerations altogether different from those which once led her to world supremacy. Former lust of universal empire is rejected as a pernicious archaism, the conflict of 1898 ending the last lingering agonies of that fatal attitude. Intelligent interest in opulent national resources has replaced it, and the European shambles has infused further vigor into the country's development. Peace cannot nullify this revolution, because the present strife did not start it. During the past fifteen years Spain, the only Latin nation exempt from Armageddon, has been quietly undergoing more changes than any other country in Europe. The war has merely intensified this radical movement and crystalized its significance in a way that even outsiders must recognize.

When I first visited Spain, in 1904, the country had not yet recovered from the American war, which removed her last vestiges of Western empire—a drastic but eventually salutary ordeal. Bitterness against Americans, although modified in many provinces, still prevailed in industrial Catalonia, whose important textile industries had severely suffered as a result of losing their Cuban market. Governmental finances were demoralized, and the peseta, whose par value is nearly twenty cents, was down to fourteen. Railway transportation was in a primitive state and locomotives built in Belgium in 1850 were operating on the Andalus system. Hotel accommodations occasionally recalled Cervantes.

In storied Zamora, a great city in Spain's great day, the ground floor of the best inn was a stable. Madrid boasted no luxurious Ritz hostelry, as she does to-day, and the Castilian capital—bleak in winter, scorching in summer—was dreary and decayed, of no kin to the handsome modern metropolis now enthroned on the central plateau. Barcelona, whose manufactures had bloomed under the stimulus of a colonial protective system, was tasting the bitterness of world competition unrelieved by special favors. The ever industrious Basque, it

is true, profitably pursued his interests in iron, but Viscaya (Biscay) has long been an exception in the Peninsula. Its people are not Spanish. They are an ethnological riddle,

lated. Her soil reveals vast arid stretches not unlike some portions of our west. Mineral wealth, save at the famous Rio Tinto copper mines, near Huelva, is yet virtually untouched. Irrigation, whose presence in Moorish days made Spain a garden, and whose absence, after Phillip's ruthless expulsion of his invaluable Arab subjects, achieved the restoration of nature's desert, is in its infancy.

First came the spiritual revival. That is now evident in most of the large cities, in Madrid, Barcelona, Valencia, Zaragoza, and, to a lesser extent, Seville. These towns have been made over. Sanitary drainage, and employment of electric power have been the initial elements of transformation. Social conditions have thereby been immediately bettered. Hotels and apartment houses are modern and habitable. Urban development has spread to the environs. Agricultural gardens surround these towns now. Forests in a land second only to Greece in European denudation have been planted and moisture-bringing trees are now actually growing in the vicinity of Madrid—a region bare since before the times of Charles the Fifth.

Altogether contrary to popular opinion concerning the influence of sea power on trade, Spain's mercantile marine underwent rapid extension soon after the almost total destruction of her navy in 1898. Many English and French steamers have been purchased abroad and nationalized, and to-day the Compania Transatlantica is one of the greatest steamship companies of the world. When I contemplated my eighth Spanish visit, last year, I discovered that it would be a great convenience—as also a large assurance of safety—to sail directly from New York to Cadiz and Barcelona. Investigation at ticket agencies proved fruitless. I was told that the line was execrable, that it carried only steerage. Fully aware of our too common contempt of Latin enterprises, I took the matter into my own hands and secured passage on the liner Montevideo. The voyage proved in many ways a revelation. The vessel, although old and one of the inferior ships of the line, was serviceable, safe, clean,



Housewives going to market down a dazzling, sunlit street in Valencia, Spain's third largest city. During the last fifteen years sanitary drainage, modern buildings and electricity have transformed this ancient town. In 1910 Valencia had 233,348 inhabitants—which was 3,846 less than the census of the same year gave Seattle.

and their diligence has long borne no relationship to adjacent sloth.

SIX subsequent journeys revealed some slight changes in Alfonso's kingdom. Undoubtedly the subtle revolution was at work, but it was not until the third summer of the great war that these alterations became sufficiently vivid to startle the traveler. The beginnings of New Spain are now facts. Mammoth possibilities, of course, remain undeveloped. Iberia is still inadequately popu-

lated. Her soil reveals vast arid stretches not unlike some portions of our west. Mineral wealth, save at the famous Rio Tinto copper mines, near Huelva, is yet virtually untouched. Irrigation, whose presence in Moorish days made Spain a garden, and whose absence, after Phillip's ruthless expulsion of his invaluable Arab subjects, achieved the restoration of nature's desert, is in its infancy.



and comfortable. It may be interpolated that in the matter of choice wines, generously dispensed, no Ritz-Carlton marine hotel was ever more luxurious.

But the significant feature of this Atlantic journey was the immense profit accruing to the Montevideo's owners. The Compania Transatlantica receives an annual government subsidy of \$3,000,000, and a prominent Spaniard informed me that on each voyage the net cargo receipts since the first half-year of the war have averaged \$3,000,000. This total exempts the fare of a single passenger, and it may be added that the ships are now invariably crowded. Moreover, these Spanish liners carry war supplies only for their own country. Prosperity and preparedness are the Iberian watchwords now, and almost every vessel from America to Cadiz carries its quota of war material. From this fact no bellicosity must be construed. If Spain fights no more wars for five hundred years, her martial history will possibly surpass that of any other European nation. She has had her fill of conquest and defeat. Struggles with Carthaginians, Romans, Goths, Vandals, England, France, Arabs in Spain and Africa, with virtually every race of natives in the Western World, with herself and her own Carlists, and with the United States, have utterly sickened her of strife. Divided as her sympathies in the present European conflict are—clericals hating France because of severance of the Concordat, governmental classes inclining toward Teutonism on account of Austrian elements in the royal house, and all liberals and exponents of new industrial Spain favoring the Allies—her face is firmly turned against war. Holland, Sweden, Denmark, among present neutrals, might become involved in the conflict—Spain never.

And so the twenty-three vessels of the Compania Transatlantica peacefully plough the seven seas, while submarines imperil Britain's commerce and Germany's exists no longer. True it is that a few Spanish freighters have been sunk by German U-boats, but the Teutons are in general loath to irritate Iberia. They have large trade interests there which may be further developed when the war is over.

#### Much Trade With Former Colonies

**M**OST of Spain's foreign commerce is with lands which formerly were her colonies. Two huge greyhounds of the Transatlantica, the Reina Victoria Eugenia, and the Infanta Isabella de Bourbon, each of 15,400 tons registry, ply between Barcelona, Cadiz and Buenos Aires. There are important services also to Venezuela, Colombia, Cuba, Porto Rico, Panama, Mexico, the Philippines, the Canaries and one of the few remaining colonies the African island of Fernando Poo. Until the war, the New York trade was regarded as subsidiary, the Spanish ships making monthly calls at Gotham en route to Mexico and vice versa. But the demand for neutral bottoms has made expansion imperative. The Transatlantica now conducts an additional freight service between New York and Vigo, and there is even a new freight line between the United States and Cadiz—the Ocean Transportation Company.

Pinillos, Izquierdo and Company is the Transatlantica's great rival in South American trade. The former line's large fleet includes some fine swift ships which race with their competitors in reducing time records between Spain and Argentina. The large but slow English rivals in these waters have for several years been outdistanced.

Spain has twenty-one seaboard provinces and one hundred and twenty ports of some im-

portance. These are well fixed in native coastal facilities, particularly by the Ybarra line, which serves the entire peninsular coast from Bilbao to Barcelona.

Mention of this great seaport brings me back to the heart of modern Spanish develop-

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**S**PAIN has not been so prominently in the public eye during wartime as Holland and the other neutrals contiguous to the central powers but it, too, has felt the surge of war. The cost of living has risen by fifty or sixty per cent. Embargoes on exports of many articles have had to be used to conserve domestic supplies. Steamers on the route to the Philippines have had to go by way of Cape of Good Hope. The trade in fruits with England, Holland, and Scandinavia has had its difficulties; at one time 2,000 crates of oranges and 42,000 sacks of chestnuts lay on the docks at a Spanish port waiting transportation to England. Real effort has been needed to maintain the shipments of Spanish iron ores to England. Shipment of pyrites to the United States has been interrupted. As Spain figuratively breathes through its ports, congestion spread inland and developed a "freight crisis." All manner of trouble has attended imports of materials from abroad at a moment when Spanish shipyards and other industries saw great opportunities for profit. And, as in France and Italy, coal has become a precious mineral.

Such a state of affairs among a vigorous people of twenty million gives rise to conditions of change. When the government placed before the Cortes the budget for 1917 it added plans for financial reconstruction to extend over the next ten years. Whatever the immediate course of events, the end of the European War will leave Spain a new country. The article here presented sketches a country in transition.—THE EDITOR.

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ment. It is possible that few Americans realize that Barcelona is the greatest city on the Mediterranean. Spaniards, at least, assert their commercial metropolis to be more populous than Naples, its only rival. Certainly when I landed in front of the impressive Columbus monument last summer, the Catalonian city had the appearance of a world capital. Business and gaiety—not war—were the prevailing atmospheres. These two aspects are cleverly divided in Barcelona. Manufacturing, mainly of cotton goods for home and South American consumption, is conducted in the bustling industrial suburb of Barceloneta. The money made there and in foreign commerce is expended in the intensely animated city proper. Perhaps, just now, "improper" would be the better epithet. Barcelona's well paved, brilliantly lighted streets, flanked by handsome modern buildings, displayed an almost terrifying activity of pleasure-seeking. Indeed, metropolitan turmoil and street noises prolonged long after old time Parisian limits eventually became such a nuisance that municipal restrictions on having "too good a time" had to be enforced. Surely no more striking contrast to war conditions in Europe could be imagined.

A notable Catalonian enterprise entails the construction of the largest dam in Europe, the work of American engineers and experts. It is built across the gorge in which the Palleres River flowed and is located near the ancient town of Talarn. Built of concrete, the dam measures 330 feet in height and 700 feet in length. The thickness at the base is 230 feet. The valley above the dam, now filled with water, is an artificial lake, measuring about fifteen by four miles. The spillway has a capacity of 70,000 cubic feet of water a second. The dual object of the enterprise is that of electrical illumination and irrigation.

#### Transportation Facilities Inadequate

**N**OWHERE else in Europe are the opportunities for engineering undertakings so rich as in modern Spain. For years her population, now about twenty millions—insufficient for the nearly two hundred thousand square miles of area—has suffered from inadequate

transportation facilities. But two trunk lines, one at the extreme west, the other at the extreme east of the northern boundary, have connected the peninsula with the rest of Continental Europe.

Spanish galleons were wont to return home laden with treasure from the New World. Piling up gold, however, proved in the end more of a hindrance than an incentive to progress. The huge acquisition of metal sent down the purchasing power of money, just as it is doing to-day in the United States. Prices rose, and Spain was eventually lulled into a state of stagnation in the fallacious belief that specie meant wealth. After a hundred years of neglect, Cadiz—"the silver cup" her natives call her—is definitely feeling a commercial revival. Vessels of goodly size, the majority of them flying the Spanish flag, leave her harbor almost every day for foreign climes. The low swampy lands immediately back of the city now yield quantities of salt. The production of this mineral is a government monopoly in Spain, and the recent development of the industry—always of some importance—is proving an exceedingly valuable aid in indirect taxation.

Any survey of modern Spanish affairs, however hasty, must take into consideration the transcendent importance of the financial status. This was long stained with mismanagement and consequent depreciation of the currency. But the cloud is lifted. The franc and mark are down, but the once suspected peseta is at last at par. Here is the most outstanding fact in the twentieth century Spanish renaissance. A sound financial position is certain to mean influx of foreign capital in a country as undeveloped as Spain still is. And it is in the interior, where railroad building and irrigation enterprises will work wonders, that the need of this outside investment is most manifest.

#### Strikes Indicate Spain's Progress

**F**OR many years the chief foreign investor in Spain was France, whose money was responsible for the construction of most of the early railways. English interests came next, building the vital railroad link between Gibraltar and Bobadilla. They still control the Rio Tinto mines, and their sway in Barcelona, as has been shown, is exceedingly potent. Wheat is the most important crop on the table lands of Leon, Old and New Castile, Aragon and Extremadura, but more water is imperatively needed. To-day eighty-eight per cent of Spanish soil is classed as productive. Like most statistics, these figures obscure the real facts. Given the proviso "if properly irrigated," the figures hold. It is gratifying to note, however, that Spain has not left all the needed improvements in this regard to outlanders. The lesson of the transformation around Madrid is being heeded further north. To the east, Aragon shows even more striking betterment. Saragossans have not only enhanced the producing power of their neighboring fields, but they have taken a tip from Barcelona, and what was for centuries one of the sleepest cities in the kingdom—save when Napoleon's soldiers tried to capture it!—is now actually attempting manufacturing. Surely a certain amount of what we are pleased to call modern civilization must have been attained in Saragossa, since that city now emulates Barcelona, one of the centers of socialistic thought, in having its own labor troubles. However annoying, strikes seldom occur in backward lands. We never read of them happening in Persia, for instance. Last summer the government narrowly forestalled a general railway strike in



Spain. Here is at once a penalty and an index of progress.

For the future it would seem that Spain's development must lie chiefly along two main lines, foreign commerce and agriculture. Betterment in the first has naturally come first, since the kingdom is rich in good natural harbors. A nearly equally potent trade advantage is the language link with South America. It is surprising how long Spain waited before realizing the benefits of this relationship. Undoubtedly the loss of her own colonies, and the consequent breakdown of the tariff system protecting them, impelled her to turn to her old empire, whose resentment against the mother country has almost wholly vanished. It is replaced by an affirmative affection, which renders the establishment of trade bonds comparatively easy. Until North Americans learn more Spanish and acquire some reasonable knowledge of Latin ways, Spain must be a powerful competitor of ours in trading with every nation to the south of us, except Portuguese-speaking Brazil.

#### Olive Oil and Cheering Wines

AGRICULTURAL development, of course, involves improvement along well established lines. New records for olive oil pro-

duction and that of grapes from the Malaga-Almeria hinterland are frequently made. Before war, and, to a less extent, during its course, British, the Cunarders and French Fabre line steamships took on immense cargoes of the delicious white grapes at Almeria. Twenty years ago such a call under such auspices would have been unheard of. Spain's other great industry—wine—is undergoing certain unforeseen alterations. Viniculture is still tremendously important, but a change in taste, due partly to the "uplift" movement against strong beverages, has somewhat diminished the appeal of the rich, "heady," expensive sherries of the vines of Jerez and augmented that of the delectable lighter and cheaper wines of the north. Of these the "Riojas," from the neighborhood of Navarraise Pamplona, are now playing the most significant role. "Rioja" table wines, white and red, are now procurable even in the United States. The company which exploits them is enterprising and alert, an excellent exemplar of the new business initiative.

Lovers of the old romantic Spain of Irving, of Borrow, of Hay, of Ford, may perhaps wonder whether all this progress may not soon mean the extinction of characteristic charm. Let them be reassured on two counts. It must

first be emphasized that only the high lights of a progress, just beginning to bud, have been here cited. Spain is still far from a "modern" nation in innumerable ways. Even with all the advantages derived from exemption from the European struggle, it must take fully fifty years of steady improvement to put her on a parity with the world's leading nations. What I have endeavored to show is that Spain, with good pesetas, and self-destroying neighbors, has at last a chance.

THE second fact is that Spain is Spain to the end of the chapter. Barcelona is excepted, for the energetic Catalans have a marked racial kinship with the French Provencals, and the Genoese. But the Hispano-Latin civilization is a very fixed and definite thing. When one includes South America, it is large enough to develop soundly and efficiently and yet on distinctly its own lines. The time may come when the world may have to consider three clearly cut types of progress—the Oriental, typified by the Japanese and their neighbors; the general European, including (for all our boasting) the heterogeneous United States; and the South American, including what will then be its smaller appendage, but ever its mother, proud, enduring Spain.



The catching and canning of the delightful and crowded sardine is one of the most important industries along the Spanish coast. There are in the country 1,347 fish canning and preserving plants whose output in 1914 was 27,387,985 pesetas—about \$5,477,597. During the same year 86,313 men in 16,133 boats followed the ancient profession of St. Peter in the Spanish waters.





**B**USINESS men in Newark, have been for several years learning to use more print and to use it to better advantage. The branch of their public library that they most use is in the center of the city. It has been trying for nearly ten years to keep ahead of the demand of Newark business men by putting on its shelves books on every aspect of business, with business pamphlets, magazines, maps and journals of every kind, before the business man had discovered them. These business men have used their library's business branch to good advantage, and naturally the trustees of the library have spent each year more and more money on it.

Two years ago, the person in charge of this branch was set at the job of making a list of good business books. In about a year she found 1600, and this list, skillfully arranged, was published by Wilson, the booklist publisher, with the cooperation of the Associated Advertising Clubs of the World. It sold so well that the Newark library people immediately revised and enlarged it, including about 2100 books. They again called it "1600 Business Books," when it was reprinted last spring, because that title had become so well known.

From all over the world come requests from people who have heard about the library which the business men of Newark are using, for information about all kinds of things. One of the late requests is from a French officer, interned in Switzerland and there teaching business management to a group of interned French soldiers.

The business men of every city should ask for a branch of this kind, unless their main library is in the heart of the business district. Many large concerns now have research libraries of their own. Public libraries will never be able to gather and arrange for ready use, all the material that every great business must daily use if it is to keep ahead in the new international, after-the-war competition. But, consider the economic waste involved in the collection by forty or more firms, in Newark for example, of thousands of dollars' worth of books, maps, charts, pamphlets and journals already to be found in the Newark library! This collection supplies general and special information that every great enterprise needs. Why duplicate it in a city even once? The shrewd manager will use his public library, will study it and find what ground it covers, and then will collect for his own special library only those things he needs which his public library does not furnish.

**F**OREIGNERS tell us we have, in industry and commerce especially, the conceit of our ignorance. We grow so fast, and are so rich and do so well that we think we must know it all! The fact is that we have not, in our industries, kept up with the latest things in production and distribution. We are learning our weakness, and are beginning to use all the world's knowledge by finding it in all the world's books.

## A White List of Business Books

By JOHN COTTON DANA

Librarian, Free Public Library, Newark, N. J.

### No. 2. Employment Problems

**T**HE subject of employment has been elaborately studied by a woman, Dr. Katherine M. H. Blackford. She has made a great success in this field and is much sought after as a lecturer before business men's clubs and other organizations interested in this problem of employment. The business executive has again and again to choose the man who will best meet the requirements of a certain position. How is he to know the best out of twenty applicants? Dr. Blackford makes many helpful suggestions on this ever-recurring question.

Her book, "Analyzing Character, the New Science of Judging Men," published by the Review of Reviews, N. Y., 1916 \$3.00, is now very widely used. It advocates and explains the method of judging men by facial characteristics and other surface qualities. It shows the vast waste to which industrial concerns are subjected through continuous hiring and discharging of employees, through loss of efficiency in plants due to the time spent in training new people, through waste caused by inexperienced workers, and time lost in learning the geography of a new business.

"Choosing Employees by Test" published by the Engineering Magazine Company, N. Y., 1917, \$3.00, is W. F. Kemble's book on this same subject, treating it from a different point of view. It gives methods of testing for special characteristics and the fitness of one having those characteristics for work of different kinds.

It includes forms and instructions for testing such qualities as concentration, memory, accuracy, strength of will, power of estimating accurately, initiative, decision, ease of comprehension. This is the first attempt on a large scale to put this information into such form that it can be used to advantage by an executive or one who is organizing an employment department,—that newest development of modern business administration.

"The Executive and his Control of Men," by Enoch Benton Gowin, published by Macmillan, N. Y., 1916, \$1.50, is a study of executive ability. It describes what traits and activities go to make up that quality which results in successful control of others,—suggestion, discipline, idealism, stimulation, instruction,—and how to meet the varied difficulties in administration that come to every executive such as lack of interest and adaptability, opposition born of dissatisfaction covertly expressed by men here and there in a

shop, and slowness of assimilation.

A National Conference of Employment Managers, held in Philadelphia, April 2-3, 1917, was attended by 500 employment executives. A National Employment Managers Committee, composed of delegates from

each employment manager's association was appointed to establish a permanent national committee which shall correlate the independent local organizations. The proceedings of some of these conferences have been published by the Dept. of Labor. The conference of the Employment Managers' Association of Boston, held in 1916, is published as "Bureau of Labor Statistics Bulletin 202." The men who talked at these conferences are employment executives of some of the most progressive concerns in the country and here describe the methods followed in their several concerns. H. G. Smith, General Manager of the Fore River Shipbuilding Corporation, tells you how to improve the efficiency and quality of your employees by the method he has used. By the Curtis Publishing Company amazing results have been obtained in the development of its staff. R. C. Clothier, manager, tells how these results were reached. The Proceedings of Employment Manager's Conference held in January, 1916, is published as "Bulletin No. 196" by the "Bureau of Labor Statistics" and gives you much more of this first hand experience.

**J**ONES & Brown hear how well the employment department of a rival house is working, and decide to establish one of their own. They pick Johnson to run it. He probably knows nothing about the details of his new

work and has only a few vague ideas about it, gained in his general business experience. Not a few men in Johnson's position have come to the Newark Business Library for information. Of the things that we offered them, the May, 1916, number of the "Annals of the American Academy of Political and Social Science" has seemed of most value. It takes up every aspect of the work; the "why" of the employment manager, and all the general problems that face the employment

manager. Richard A. Fiess, Manager of Clothcrafts Shops, for example, tells how he established a personal relationship with the employees, and the employment manager must always get in close personal touch with his men. Here, also, are details of running an employment department;—records, methods of testing men who ask for jobs, the points to be noted in such tests, how to get comparisons and averages, ability tests as used in many large concerns.





## Crash—Goes Another Idol!

(Concluded from page 25)

ahead in war as well as in peace by subjecting every institution to a continuous process of going over.

### A Bad Time to Be Without a Country

**D**UAL NATIONALITY," on the part of people who reside in one country and draw their income from another, has some disadvantages in these times when heavy taxes on income are the order of the day. Some of our officials, according to the newspapers, have concluded that one of our expatriates will pay over to the American and British governments something like 110 per cent of his current income.

Such figures may illustrate a number of things, including lack of foresight on the part of any man who allows himself to fall heir to several millions a year in a democracy and then move elsewhere, and the exuberant irresponsibility of pencils when they can remain under the cover of anonymity. The figure cited is rather extravagant, when set down beside the law and the facts.

To be sure, a person who indulges in the luxury of drawing his income in the United States and residing in England faces some very real taxes. He begins by reckoning with the United States, where on an income of \$1,000,000 he will pay income tax of 41.11 per cent. Thus, if he escapes excess-profits taxes because of the source of his income, he will leave \$411,000 here. The English tax falls on the balance and, with a "normal" tax of 25 per cent and surtaxes that rise to 17½ per cent, may be around 40 per cent and mean \$235,000. Such a taxpayer will consequently have \$354,000 left out of which to meet his expenses and any state or other local taxes.

England and the United States permit deduction of taxes paid abroad. In some quarters it has been suggested that Great Britain should go further, and exempt from its tax income which has already paid tax where it is earned. Perhaps England may at some time reach such a position, but the day may be rather distant. For the present it is trying to reach some method of adjusting difficulties of the kind in question when they arise between it and other parts of the British empire. A beginning was made in a partial way with excess-profits taxes, and some of the complications which result have turned out to be "bones thrown to the legal dogs to worry over at the expense of the commercial community."

This quotation from a speech of a member of Parliament tends to prove that the ancient hard feelings between merchants and lawyers survive in England. Even if the lawyers settle these particular difficulties they may get further cases, since the principle of lessening double taxation within the British empire and introducing the principle of apportioning a tax between the dominions and England, has been adopted also with respect to income taxes, and may eventually be made more complete.

### What a Sailor Isn't

**A** SEAMAN is not a laborer, and the United States Supreme Court vouched for it on November 5. If he was losing the special status which he once had, he is clearly regaining it in a day when nations have themselves undertaken the management of merchant fleets, and recognizing the special hazards of the ocean have insured the lives and effects of their seamen.

The seamen whom the Supreme Court had to consider were of humble degree, being

Chinese. The question was whether or not there had been violation of our law against importing persons under contract to perform labor in the United States. The circumstances were that a ship of British registry had obtained Chinese seamen at a Chinese port with an agreement that these seamen were to be transferred at San Francisco to a vessel of American registry on which they would serve as seamen on foreign voyages. These men, the court declared, were not brought into the United States to enter into competition with the labor of its inhabitants, but they came only to sail away again in foreign commerce in the ship which brought them or in another, as soon as employment could be obtained.

In reaching this result the court probably intended to construe the statute very strictly, since its provisions are highly penal. The Seamen's Act of 1915 did not enter into the case in any way; for the events happened before it became operative.

### Australia's Trans-Continental Line

**T**RANSCONTINENTAL RAILWAYS are still to be constructed, as Australia has proved this year through its completion of an east-and-west line of one thousand miles.

The idea was Lord Kitchener's, and the purpose is largely military. The feat was considerable for a continent of such small population as Australia. The engineering problems were simple, however, for most of the line is through country as flat as the proverbial pancake, and only six bridges of importance had to be provided. Construction was not altogether pleasant, though, in a desert wilderness where not only materials but food and water had to be hauled to the rail-head as it advanced.

### Our Exporters Bestir Themselves

**E**XPORT trade is ignored by us, according to some of our compatriots, and perhaps we are not always so keen about it as we might be.

Some of our competitors appear to be of a different opinion. A British paper in China, by way of exhorting its fellow-countrymen, has the following story to tell:

"Some little time ago a very poor missionary in a far away corner of inland China was asked by a Chinese neighbor about a cheap agricultural appliance. The missionary recalled seeing an American advertisement about that kind of article but had forgotten the name of the Shanghai agent and therefore wrote to an American Consulate merely asking the firm's name.

"A few weeks later, letters and price lists began to pour in from every part of the United States. These enterprising firms 'had heard that so and so was interested in such and such goods,' and they were prepared to meet every possible request or suggestion, to give advice, quote exceptional terms, etc., etc. Mail after mail the deluge from manufacturers continued. Implements and machinery from \$5 to a million were quoted for. And then the tune changed. Forwarding and shipping agents 'were glad to know that the addressee was handling American manufactures' (he had, by the way, once invested in half a dollar's worth of razor blades and a pair of boots) and they would gladly secure tonnage, etc. By these things we know that Uncle Sam is on the commercial war path."

Our Consul General at Shanghai adds a commentary to the story, pointing out that a "trade opportunity" to sell a cheap pump, sent by him and published through the Department of Commerce, was at the bottom of the flurry in the Chinese backwoods.

## America Patches and Re-Soles

(Concluded from page 9)

implements, and for all the "seasonable" goods which have become necessities because of the comfort and sanitation their use implies. But they are ordering very gingerly of those goods whose use depends largely on extremes of weather, whether very wet or very dry, or very hot or very cold, preferring to take their chances of getting such goods when they need them, rather than gamble on the uncertainties of the weather. It is obvious that the trend of all these tendencies is affecting business in the lines whose use is being curtailed, though the total result so far on the volume of business is less than a general survey of the many changes seems to imply.

There is a general expectation that it will gradually be easier to get most goods, that manufacturers of some lines will not be quite so busy as they were, that the drop in the prices of some raw materials, brought about partly by Governmental action, partly by overproduction, will extend but very gradually to finished products. The trades have grown callous to shocks and alarms, though they have daily occasion for experiencing both. They face the future without apprehension of any serious nature, though they are none the less aware of the very portentous problems which loom up immediately ahead.

The observance of conservation in all its forms is spreading at a rate which seemed unbelievable a short time since. And all because of the common sense which underlies its appeal. This naturally will tend in time to curtailment of the use and production of some commodities so far as this country is concerned.

The element of speculation in buying is practically eliminated in all commodities. The decrease in building operations and the practical stoppage of all development and exploitation enterprises further emphasizes the fact that the situation is the normal one of supply of material and commodities for repair and replacement and not for new construction.

That the volume of business continues so large under all these conditions is due to the amazing agricultural wealth of the country and the still widely disseminated purchasing power of the many. Winter wheat is doing well save in Kansas, Oklahoma, and North Texas, where rain is urgently needed. Much will depend upon whether high winds prevail in such sections, thus blowing away the soil and exposing the roots of the growing plant. Fortunately with almost human intelligence, plants in such conditions become deep rooted in their downward search for water.

There still continue to be strikes and threats of strikes in the labor world in this most inopportune of all times for industrial conflicts. Fortunately many of them are settled before they go very far, because of the patriotic issues involved. One improvement in industrial life of late is the decreasing migrations of the human unit at the approach of winter. There is consequently more stability of employment and a better opportunity of teaching new employees their duties and thus increasing their efficiency.

The map changes in Northern Tennessee, Arkansas, and Mississippi show the effect of the severe cold spell which reduced the prospective cotton crop yield by about 250,000 bales.

Of the many features of the situation none are so encouraging as the common sense, sanity, and "the keeping in the middle of the road" policy, with which the business world faces a future unknown to its experience, and fraught with all manner of possibilities.





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## The Question of the Ships

(Continued from page 30)

vious training will count the most. The result of such an arrangement ought, by every rule of common sense, do away with most of the present evils of hiring and firing. Moreover, there will be another, not less important result—and that is an increase of contentment on the part of the men by reason of this fair and considerate dealing and individual attention. They won't be treated as mere cogs in a machine; a thing most important where new and unaccustomed men are concerned.

The school at Newport News alone will turn out about 150 of these instructors every six weeks; and with the establishment of new schools the total will grow rapidly. They should turn out 900 men by July, and 75,000 in a year. And this from that one school.

Another necessary thing will be the systematization of methods of getting workers. To this end the Department of Labor has indicated to the ship builders that it will utilize its machinery for the employment of thousands of men for the harvest fields; and that it can easily supply all the labor wanted if the ship yards will make sure that the men are properly placed and housed, and will cooperate as far as possible at every point.

A most serious side of the labor problem of the yards is the housing question. For instance, there is a large ship building company at Camden, N. J., which needs 4000 more men. When they began laying plans for this, the first thing they found was that there was no place to put them. Five hundred families in Camden expressed a willingness to furnish accommodations. Moreover, the natives of Camden had been taking advantage of the situation, and had been charging the men \$8 a week for board, and charging exorbitant prices for rooms, and putting four and five men in a room.

So the company began to think about cantonments, divided up into rooms, and made as comfortable as possible. But the question arises, will the men come on those terms? They are skilled men. They don't have to go to Camden for employment. Will they put up with living in a cantonment?

It is a grave question. Possibly they will, if the appeal be made on patriotic grounds.

That is just one example. The same difficulty is to be found everywhere. This great labor army will have to be given what it needs almost as if it were an army in the field. Where cantonments are not sufficient, and where the people in the neighborhood won't take men in, it may even be necessary for the government to commandeer houses and out-

yards—these and a score more things are getting the earnest attention of experts in Washington, and of executives of the shipyards everywhere.

It is a delicate problem in fact. It calls for a knowledge of human nature, skill in dealing with men, and above all, a fair intent on both sides to play square and get the work done.

It can't be done in a day. It is an educational process. But it is being pushed toward accomplishment at a rate that is going to work something very like a miracle by next summer, and possibly a real, sure-enough miracle in twelve months.

These are all matters with which most of the big, highly developed industries have been dealing for years with varying success. They have all found it difficult at the best, and a matter of slow growth in wisdom, experience, and organization. But here is an industry whose size had not hitherto required it to solve such problems on anything approaching the modern industrial scale. And now it has to do it at once. The thing is going on before our very eyes—right now—but so quietly that most of us don't see it. The grass in the spring doesn't come in a twinkling, but it seems to. One fine day we look and see that it is there.

What I have here set down is partly a net result of my impression of a two-days conference of shipping men which was recently held in Washington at the behest of Mr. Meyer Bloomfield, industrial employment expert, who is giving his services to the Emergency Fleet Corporation. I have already mentioned it briefly. It was a remarkable conference; and it may well hold an important place later in the history of the war.

One thing that characterized it was frank talk on the subjects I have been naming, and on others that I have not had the space to name. It brought such marked results, and such quick clarification of the atmosphere, and such growth of understanding and mutual confidence on the part of all who were there, that it would seem most needful that some such process of discussion should be extended from that two days into something practically continuous.

Such a plan for laying the cards on the table would mean everything to the shipping industry at this time. It would bring abundant open and constant counsel within the reach,

Number, type and deadweight tonnage of vessels under contract or requisitioned by the Emergency Fleet Corporation of the United States Shipping Board

Vessels Under Contract								
Type of Vessels	Total Number of Vessels	Dead-weight Tonnage	Number of Wood Vessels	Dead-weight Tonnage	Number of Steel Vessels	Dead-weight Tonnage	Number of Composite Vessels	Dead-weight Tonnage
Cargo								
3,500.....	411	1,438,500	355	1,242,500	6	21,000	50	175,000
4,000.....	16	64,000	8	32,000			8	32,000
4,700.....	12	56,400	12	56,400				
5,000.....	160	800,000			160	800,000		
6,000.....	7	42,000			7	42,000		
7,500 and under.....	76	569,200			76	569,200		
8,800.....	54	475,200			54	475,200		
9,000.....	44	396,000			44	396,000		
10,000 and under.....	34	323,000			34	323,000		
Total.....	814	4,164,300	375	1,330,900	381	2,626,400	58	207,000
Cargo and Transport								
8,000.....	70	560,000			70	560,000		
Grand Total.....	884	4,724,300	375	1,330,900	451	3,186,400	58	207,000

Vessels Under Requisition				
	Total Number of Vessels	Dead-weight Tonnage	Number of Steel Vessels	Dead-weight Tonnage
Collier				
5,000 and under.....	3	14,700	3	14,700
7,500 and under.....	1	6,800	1	6,800
8,800 and under.....	5	43,000	5	43,000
Total.....	9	64,500	9	64,500
Passenger and Cargo				
5,000 and under.....	7	32,958	7	32,958
6,000 and under.....	2	10,600	2	10,600
Total.....	9	43,558	9	43,558
Tanker				
5,000 and under.....	2	9,100	2	9,100
7,500 and under.....	7	49,300	7	49,300
8,800 and under.....	4	33,010	4	33,010
9,000 and under.....	9	81,000	9	81,000
10,000 and under.....	12	115,400	12	115,400
12,500 and under.....	18	192,545	18	192,545
15,000 and under.....	6	84,800	6	84,800
Total.....	58	565,155	58	565,155
Cargo				
3,500 and under.....	99	321,240	99	321,240
5,000 and under.....	37	160,200	37	160,200
6,000 and under.....	5	28,000	5	28,000
7,500 and under.....	47	335,460	47	335,460
8,000 and under.....	2	16,000	2	16,000
8,800 and under.....	58	508,200	58	508,200
9,000 and under.....	14	126,000	14	126,000
10,000 and under.....	25	243,170	25	243,170
12,500 and under.....	28	332,450	28	332,450
15,000 and under.....	2	28,000	2	28,000
Total.....	317	2,098,720	317	2,098,720
Grand Total.....	393	2,771,933	393	2,771,933

### Grand Totals of All Ships Requisitioned and Under Contract

Number of wooden vessels.....	375
Deadweight tonnage.....	1,330,900
Number of steel vessels.....	844
Deadweight tonnage.....	5,958,333
Number of composite vessels.....	58
Deadweight tonnage.....	207,000
Total number of all ships.....	1,277
Total deadweight tonnage of all ships.....	7,496,233

These figures were prepared by the Statistical Department in the Executive and Administrative Division of the Shipping Board, November 23, 1917.

their present occupants. This has been proposed. Certainly whatever is necessary will be done. Nothing will be allowed to stand in the way of the ship programme.

These are merely lights of the labor situation. It is much more complicated than could be shown in anything short of a book. Wages, hours, questions of the open and the closed shop, questions of adequate comforts and conveniences for the men in the yards, transportation facilities for carrying them to and from work, consideration for their health, physical examinations for determining the fitness of certain men for certain work, instruction by manuals in the scientific principles back of different operations, skilled speakers to address the men from time to time to arouse their patriotic interest in the task of the



not only of ship-builders but of their men as well. Indeed, before the conference ended there was a call from many of those in attendance for just such an arrangement; and it seems not impossible that that may be put into effect later. If there was any man who came there with hazy notions about the size of his job, he had none when he left. They were a very grave, though hopeful, crowd when they went their several ways.

It may be interesting to put down a summary of some of the things they recommended at the end of their conference. They recommended the immediate transfer of ship mechanics from army to navy shipyards; the immediate assigning to ship yard work of all ship mechanics subject to draft; the release of all ship mechanics from non-essential construction work to the shipyards; the establishment of a national housing commission for workers in war industries; an appeal to householders on patriotic grounds to open their houses for the accommodations of ship workers; the engagement of speakers of ability to address the men.

Reliable figures on the shipping situation are not so far available. Certain estimates can be formed however from the facts and figures at hand; and a set of figures has recently been worked out by Mr. Sumner N. Myrick, Vice-Chairman and Counsel of the War Shipping Committee of the Chamber of Commerce of the United States. For the sake of brevity they are given in tabulated form:

	TONS
Required for over-seas commerce....	4,375,000
Required to transport 1,000,000 troops in 12 months.....	312,500
Required to transport supplies for 1,000,000 troops.....	1,530,000
Total.....	6,217,500

The figures pertaining to transport for troops do not include an estimate for railroad, hospital, lumber, Y. M. C. A., or Red Cross supplies, nor for aeroplanes, animals and feed, motor trucks, automobiles and ambulances. Nor is there any estimate included for coastwise shipping. These items will require.....

3,000,000

Nor do any of the figures allow for losses likely to be sustained by perils of the sea or submarines.

Total available at present time.....	2,678,733
Deficit.....	6,538,767

The National Chamber has contributed actively toward the solution of the shipping problem in all its phases from the start; and Mr. Myrick's compilation of these estimates (in an effort to get at the truth) is a mere incident in the work. The Chamber took occasion to bring shipping to the front in the War Convention of American Business held at Atlantic City last September; and its present work is a continuation of that effort. It has done certain things which, for their psychological effect, are likely to count heavily toward speeding up the work of the shipyards.

For instance, it has gotten out a distinctive badge for shipyard workers—a bronze design, to mark off and distinguish and honor the men who are engaging in this great enterprise. The United States Government is going to adopt that badge and use it and distribute it. Another thing the Chamber has done is the issuing of two striking war posters. They are being distributed among the shipyards, and are also being sent broadcast through the country.

But possibly the Chamber's most substantial contribution is that it is taking steps to get in touch with commercial organizations

in every part of the country with a view to tapping the labor supply by utilizing the knowledge of local labor situations possessed by those organizations. This will be a valuable help, for it should be possible for much of this work to be done for the supplementing of the work of the Department of Labor. The Department of Labor has 94 men in the field, and will probably add about 60 or more to that number, to take in regions not already covered. In addition there are 23 state officers working along the same line, and these have indicated their willingness to cooperate in the work. Such an organization is capable of going through the country like a fine-tooth comb; and the efforts of the Chamber can greatly add to its effectiveness.

Admiral Bowles, when he addressed the conference of shipping men already mentioned, said with regard to the building of ships, "Are we doing all we can? I know we are not!"

And then he emphasized the fact that what is needed is a public educated to the point where it will think in terms of ships. The public is not yet brought to that point; but it is traveling in the right direction and the day is on the way when the American flag, rare for the last fifty years upon the seas, shall again come to its own.

### Business Faces the Actuality of War

(Continued from page 28)

road securities. 1112½ votes in favor, 27½ votes opposed.

Congress pass a general railroad incorporation law under which all railroad carriers subject to the jurisdiction of the Interstate Commerce Commission may organize. 1111½ votes in favor, 25½ votes opposed.

If Congress passes a railroad incorporation law, all railroad carriers subject to the jurisdiction of the Interstate Commerce Commission, both those now existing and those hereafter to be created, be required to organize under this law. 1080½ votes in favor, 49½ votes opposed.

In view of the fact that conflict has arisen with respect to the jurisdiction of the Interstate Commerce Commission over intrastate rates, even though such rates affect interstate commerce the Commission be given authority by statute to regulate intrastate rates when those rates affect interstate commerce. 1054½ votes in favor, 66½ votes opposed.

AS to the control of prices during the war, the committee recommended that:

Additional legislation be passed to create authority to control prices during the war. 974½ votes in favor, 110½ votes opposed.

Authority to control prices should extend to all articles which have importance in basic industries as well as in war, and which enter into the necessities of every-day life. 978½ votes in favor, 116½ votes opposed.

Authority to control prices should extend to raw materials and finished products. 977½ votes in favor, 117½ votes opposed.

Authority to control prices should extend to the prices the public pays as well as those paid by the government. 946 votes in favor, 146 votes opposed.

Authority to control prices should be administered by a small executive board appointed by the President. 964½ votes in favor, 121½ votes opposed.

An agency working in harmony with the board controlling prices should have authority to distribute available supplies to those purchasers whose needs are most directly related



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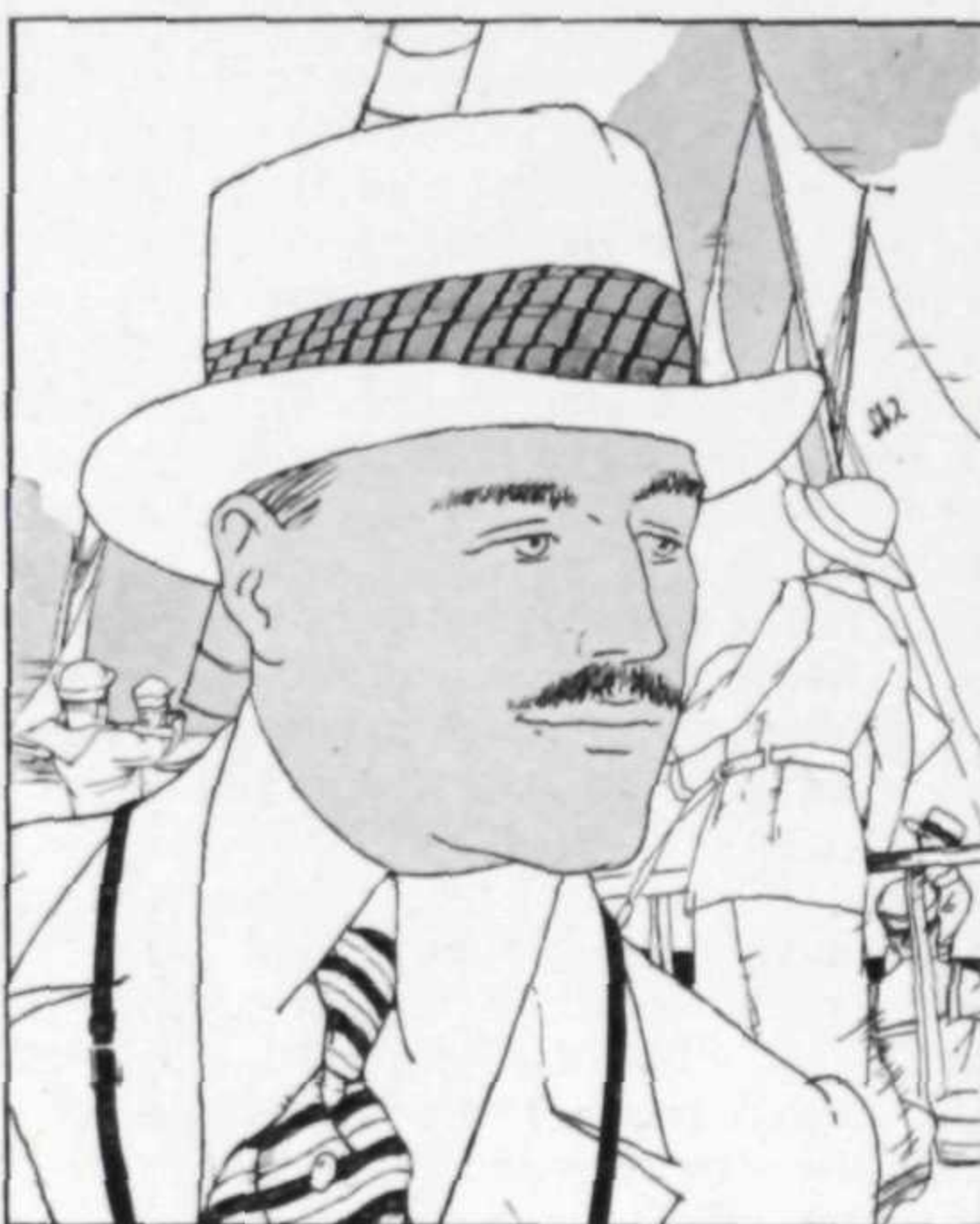
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to the public welfare. 975 votes in favor, 117 votes opposed.

Each leading industry and trade should create a representative committee to represent it in conference and to advise with agencies that control prices and distribution. 984½ votes in favor, 97½ votes opposed.

### Clearing the Tracks for Peace

(Continued from page 14)

they do not make four you must search for governing conditions.

Here they are; in a document recently prepared by railroad authorities in Washington: in the twelve months ending June 30, last year, 9,332,836 cubic yards of ballast were applied to the tracks of thirty-eight leading and entirely typical railroads of the United States. In the year ending December 31, 1917—the old-time fiscal year, by a recent fiat of the Interstate Commerce Commission, has been changed to conform exactly with the calendar year—approximately 4,801,837 yards of ballast will have been applied to the tracks of those same railroads—of varied location but all of them high in operating standards. These roads laid 22,898,645 ties in the earlier year; 18,867,351 in the latter one. And 895,635 rails laid in replacements for the fiscal year of 1916 are reduced to but 570,711 laid in the calendar one of 1917.

Now we are coming closer to the real facts of the situation; uncovering the remarkable discrepancies which we found when we began to dig into these track figures. We are finding that the ballast applied to existing tracks has dropped 48.6 per cent in the past year; ties 17.6 per cent and rails 36.3 per cent. And while it is creditable to the railroads that despite the terrific war conditions in the steel industry of the country they have maintained at best the most sensitive and essential part of their track, the steel rail, it is also apparent that these lessening percentages cannot continue. Not if we are going to entrust our lives or the lives of those we love upon railroad trains.

Do not mistake me. I am not an alarmist. I do not believe that the railroad has passed the safety margin with its track. I merely wish to say that figures indicate that it is approaching close to it—and at a season of the year when weather conditions as well as increased freight traffic place the heaviest strain upon it.

TAKE the recent statement made by Daniel Willard, President of the Baltimore & Ohio Railroad before the Interstate Commerce Commission. There is no need of giving Mr. Willard a further introduction to the American public at this time; the authority with which he speaks for all the railroads of the United States; although his statement was made on behalf of the extremely well-operated road that he heads.

"Our track and buildings are not as good as they were a year ago. . . . Our figures will probably show, December 31, that we have actually spent \$500,000 less on maintenance-of-way and structures than a year ago. In connection with that the wages and material we have used cost from twenty to twenty-five per cent more; so that putting those two items together it shows that we have actually used men and material equal to about \$1,750,000 less on our property.

"That has not made the property unsafe. We have painted fewer buildings; we have done less mowing on right-of-way; we have not had as many men keeping the track smooth. You would not get as smooth a ride over our railroad from here to Philadelphia or to Chicago, but



you would probably get just as safe a ride. But we have not kept it up where we think it should be kept. It is not as good as it ought to be. . . ."

IN some cases this letting down of track maintenance has been due to economies, but these are the exception. Even in the cases of our roads which are closest to poverty, the maintenance of track—the upkeep of the initial safety factor, if you please—would remain the last avenue on which skimping would be permitted. And it is a fact that many prosperous roads—the Baltimore & Ohio among them—have actually set aside the money that they should have expended on right-of-way this year as a deferred maintenance account. Difficult as it has been for the railroads to effect even essential financing during the past twelvemonth, this is not the real reason for the neglect of that track.

Take another prosperous and extremely well-managed railroad—the Southern Pacific. That system has yielded to none in its track maintenance. Its main-stem across from El Paso to Los Angeles has for years been its boast; it has felt that better railroad was not to be found anywhere.

That stretch of line was maintained exclusively by Mexican laborers—track-workers of a high type hardly to be found in any other nationality. Yet the Southern Pacific system itself, is to-day 4,000 trackmen short. Not only is it shut off from completing its new line into San Diego but it cannot maintain its existing tracks up to the standard it desires. And a combination of circumstances has robbed it of its efficient Mexican labor.

The Mexicans began drifting back to the nearby border and across when America began to talk of the draft. The brown-skins took no chances. Villa, controlling some of the provinces of Northern Mexico, announced by proclamation that there should be no more emigration to this country. The Mexican laborer is an asset which the Southwest already misses. And none more than the railroads.

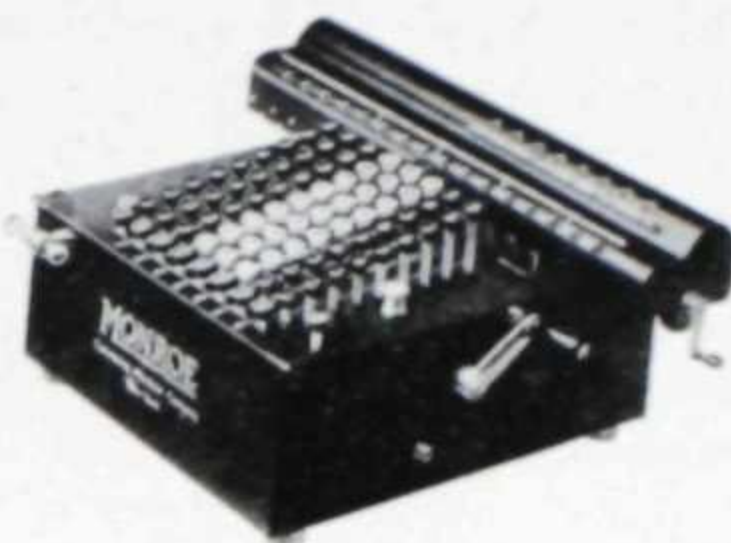
The Pennsylvania a year or two ago began bringing Mexicans up into its lines for track work. It made the rather daring experiment of placing them in service as far north as Buffalo and as any one who has ever lived there a whole twelvemonth very well knows, Buffalo in midwinter is no summer resort. But the Mexicans are used to extreme cold in their high hills and even the rigorous winter of Western New York did not dismay them. The trouble was that the road could hardly hold them against the labor demands of the big munition factories in its territory.

More recently it has turned to the use of women in track work—and to-day has 115 of the dominant sex at work on its main line between Philadelphia and Pittsburgh. The New York Central has a hundred women workers on the Mohawk division of its main line, between Albany and Syracuse.

At first gasp this seems astonishing. One thinks quite easily of women as car-cleaners or even as doing light work in a machine shop. But track work is not light work. A thirty-three pound rail is a tough proposition to handle; and even the cross-tie, grown from twenty-five cent humility into a dollar-and-a-half aristocracy, requires much muscle for its laying. The answer to this is that the women are used by these big roads and some others, chiefly for what is known as "policing the track."

It is a form of housekeeping. They keep the gutters open, the weeds cut down, the right-of-way cleaned of loose paper and other rubbish. Women work all day in the garden

## "Turn to Machines That Will Do More Work With Less Help"



Says Mr. Appleton, Chief Clerk of the office of the Vice-President in charge of operation, Santa Fe Railroad, Chicago.

Mr. Appleton was speaking of the Santa Fe experience with the

### MONROE

## CALCULATING-ADDING MACHINE

and the prominent part it is playing in filling their ranks depleted by the war.

He strikes at the very roots of the matter in this way:

"The only way to keep up with these times when enough help is simply not obtainable is to turn to machines that will do more work with less help."

"One or two Monroe Calculating Machines in the division superintendents' offices saved 3 clerks, which means \$2500 a year in each of 6 offices, after the savings had paid for the machines in about five weeks."

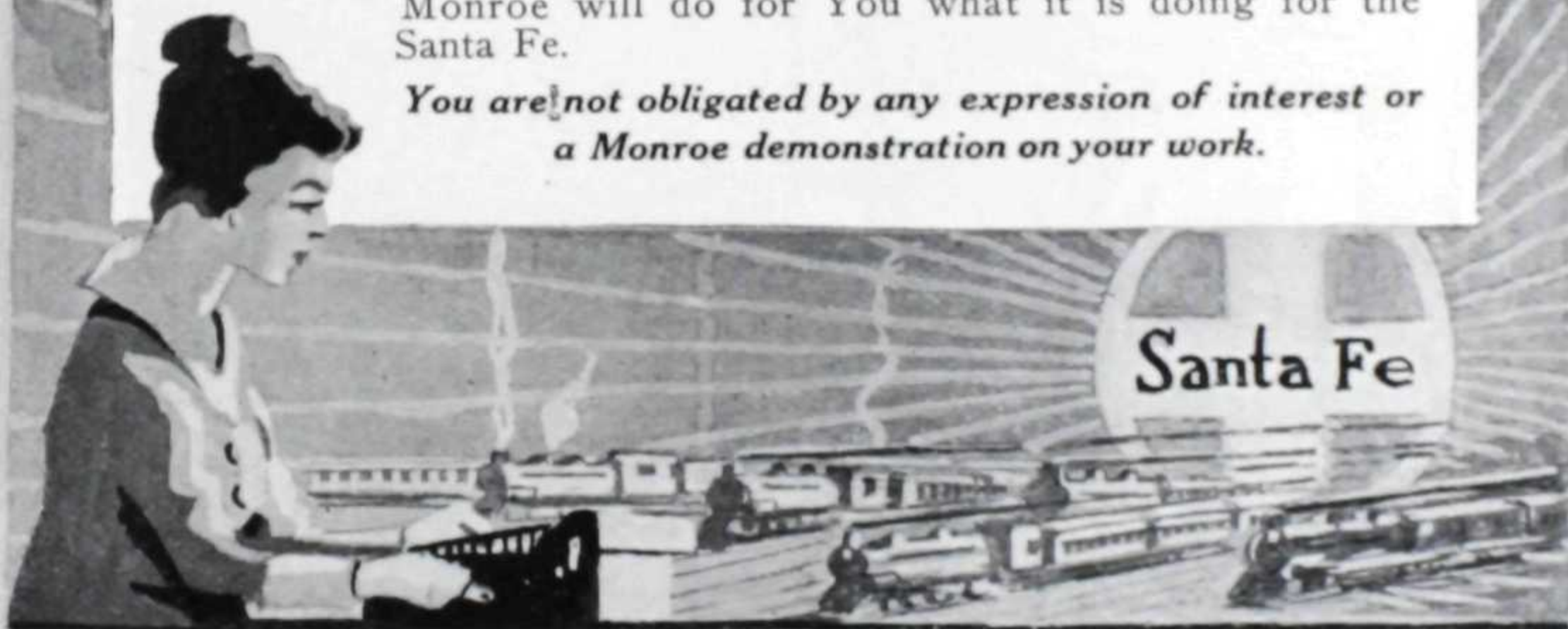
"These machines are 10 times faster than rail tables on rail extensions—for verifying payrolls they are wonderful."

"This method has proven best on about 80% of the work of these offices, such as payrolls and material distribution, rail and tie reports, gang time reports, grading areas and costs and rail statistics."

"Its great simplicity makes anyone of the men a user after an hour's demonstration, while its accuracy makes many former checking operations unnecessary."

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*You are not obligated by any expression of interest or a Monroe demonstration on your work.*



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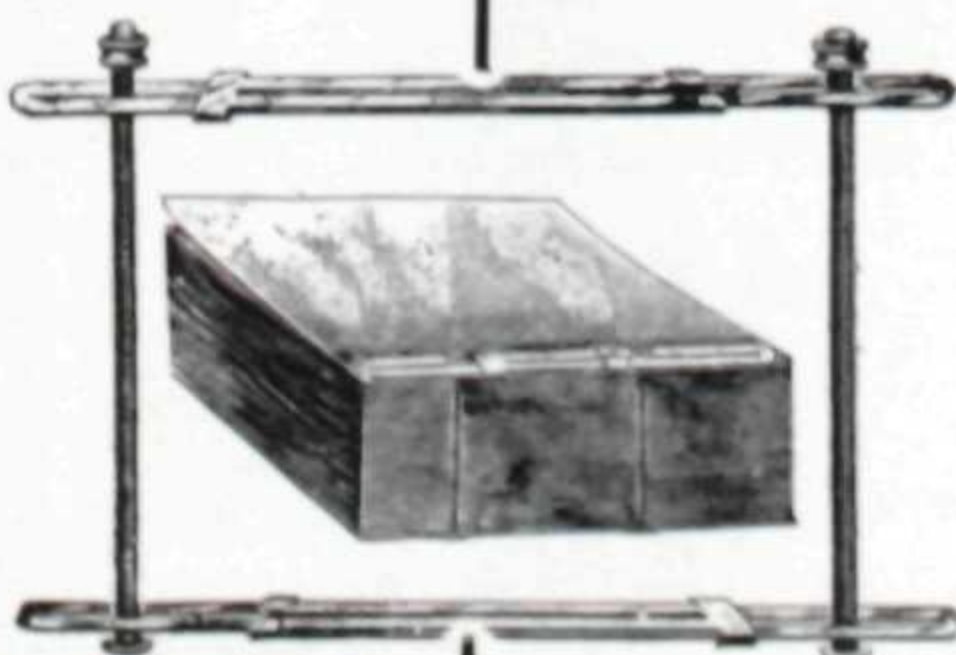
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Pat. May 13, 1918



and already in these United States, in the open fields—and think little of it. The sort of track-work that is allotted to them is not harder than either of these. Moreover, they represent a final labor resort of the railroad, striving to keep its tracks fit and safe.

For now we have seen that it is labor that is the chief trouble with the track maintenance; that, with finance—credit, if you please—close at its elbow. The railroads must have men and money before they can bring their tracks back to the high standards of three or four years ago. Some few of them have the money; but none of them has sufficient men. Eighty thousand track-workers would make an impressive army. Marching four abreast they would take nearly all day to pass a reviewing-stand. And the track-work which they can accomplish on an ordinary day be-

tween sun-up and sun-down is not to be scorned.

And beyond this question—the ordinarily simple but to-day extremely perplexing problem of track maintenance—comes the even larger one of making our steel pathways fit

and ready for the increased floods of business which the future will bring to them. This is a preparedness that America cannot afford to overlook or to neglect. It is having the oil in the lamp; the wick trimmed.

## Coal Is the Hub of Our War Wheel

To Produce It in Abundance and Use It With Intelligence is the Paramount Need of the Hour—To Waste It a Crime

COAL is a paramount need of the hour, paramount because so many of the other things which must be produced in a hurry cannot be produced without coal. Transportation cannot be carried on without it.

Production has been speeded up, but much

of the good resulting from this is offset by the amount of coal wasted in the United States. The total of that waste, as given by authorities, is almost unbelievable. It comes, in fact, to this, that important as it is to increase the output and to get cars and motive power for the railroads to haul more coal, it is just as important to see to it that every pound of coal produces its full quota of heat units or horsepower.

Considerations like this led the National Chamber of Commerce to appoint a Committee on Coal Conservation. The recommendations of this committee, while addressed to the members of the National Chamber, are applicable to users of coal everywhere.

The personnel of this special committee is indicative of the importance which the National Chamber attaches to the matter of the saving of coal. The chairman is Ernest T. Trigg, president of the Philadelphia Chamber of Commerce and vice-president of John Lucas & Co., paint manufacturers. The other members are:

Lester P. Breckenridge, professor of Mechanical engineering, Sheffield Scientific School, Yale University; Thomas E. Donnelley, president, R. R. Donnelley and Sons Company, printers, Chicago; P. H. Gadsden, president Consolidated Railway and Lighting Company, Charleston, S. C.; Ira N. Hollis, president, Worcester Polytechnic Institute, Worcester, Mass., president of the American Society of Engineers and chairman of the Engineering Council; Frank H. Johnston, president, City Coal and Wood Company, New Britain, Conn., a director in the Chamber of Commerce of the United States; John S. Lawrence, textile manufacturer, Boston; John W. Lieb, vice-president, New York Edison Company and president of the National Electric Light Association; John F. McGee, member of the Minnesota Commission of Public Safety, Minneapolis; Charles E. Wales, retired coal operator and distributor, Minneapolis.

Here is the situation as seen by the committee:

More coal is used in the United States than any other one material. No other supply is of such general importance to the industries of the country. The cost of coal to one business may be but a fraction of one per cent of the enterprise's total costs of operation; it may to-day constitute as much as 90 per cent of the costs of a public utility that develops and sells power. Whatever the proportion of operation costs, coal is essential.

The transportation facilities of the country are occupied to a greater extent by coal than by any other article. Coal constitutes 35 per cent of the weight of all freight carried by the railroads. This is three times the weight of agricultural products moved by rail. In the eastern district, coal amounts to 43 per cent of the tonnage.

Production never faced so many problems and difficulties. The demand upon our transportation facilities for carriage of food and manufactures at present exceeds their possibilities. It accordingly becomes a patriotic



"Well—it's good Transfer Season is most here."

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new booklet, No. 2933, which explains this system and shows the best ways of transferring all kinds of records.

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Southern Pacific Co., San Fran.  
Snellenburg & Co., Philadelphia  
Standard Oil Co., New York  
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Liverpool, London & Globe Ins.  
Carnegie Steel Co., Pittsburgh  
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duty for each user to look upon coal as a precious material to be utilized with every precaution against waste. Otherwise, he throws away a material which has absorbed part of the country's capacity for production and which has excluded other articles from the railroads.

**SOME** users of coal have spared no effort or expense in obtaining efficiency in development of power from coal. Numerically, they are in the minority. Such users can contribute to the common good by making generally available some of their experience. Some other persons may have on hand supplies adequate for their needs in the immediate future; by avoiding waste they can extend the period during which their stocks will suffice and also can set an example. Every man who has to seek coal for his immediate requirements can see a direct personal advantage in economy.

The highest possible degree of efficiency from the use of coal with existing equipment is the need of the moment. Conditions do not permit any general installation of new power-making or power-using plants. There will be an immense aggregate of saving in fuel consumed, of transportation capacity released for other articles, and of productive effort made available in other directions if all users of coal will see to it that their existing plants obtain from their fuel all the heat and power of which they are capable.

Costs of production have more attention to-day than ever before. The costs of coal for generation of power has in many instances not had the same consideration as other costs, because coal has been cheap and obtainable in abundance; cheap coal and cheap labor some-

times made it apparently economical in dollars and cents to install and run an inefficient plant.

Coal has now become expensive. It is hard to obtain. Efficiency in its use and avoidance of waste have become of first importance, since without power other materials cannot be utilized.

These conditions make it imperative for every owner or manager of a power plant to examine into the cost of the power his establishment uses, the economy with which it is generated and applied, and the increase in efficiency that is possible. Some of the steps than an owner or manager should take are to:

Reconsider the advantage of buying heat and power from a specialized plant that makes nothing else and can afford the investment and supervision that gets a maximum of value out of each pound of coal; in some localities hydro-electric power may be available.

Find the nearest source of coal that will meet the requirements, even if it does take a little more trouble to use it; the tax on the transportation system will thus be reduced so far as haulage by rail is shortened; coal is mined in twenty-six states, and these states extend practically across the continent and from the northern to the southern borders.

Give to the power plant and its personnel recognition and encouragement such as is due an expert and important department, thus getting new effort and attention to offset the extra attention and care needed with coal inferior in grade and preparation to the coal formerly available.

Seek to increase skill and proficiency in the men who handle the coal; the fireman at a hand-fired boiler shovels three to ten tons of coal a day,—or as great a value in material as many skilled men in other departments.

Put the fuel-using equipment into as perfect condition as possible; provide at hand-fired plants an ample firing floor with a good surface, together with a smooth-bottomed coal car if it can be used; eliminate leaks in the boiler setting, see that fire-doors fit properly, replace defective grate bars, make sure that smoke connections are clean and tight; if mechanical stokers are used, see that they are in good repair and that directions for using them are being followed; in general make the plant and the fire-room of such character that an efficient man will stay on the job.

Install simple and convenient means by which the fire-room force may see results; scales for weighing fuel and ash, meters for measuring water fed to the boiler, and devices for determining the quality of flue gases, the draft over the fire, etc., can be made to interest the men in the fire-room and show the actual results of efforts to economize; provide means for operating the flue damper.

**ENDEAVOR** to run boilers in service at their capacity; if efficiency is increased, one or more boilers in a battery may be dropped.

Provide water that is free from scale by using, when necessary, water-treating devices if the plant is large and special feed-water heaters in small plants.

Reduce loss of heat after it is generated; see that boiler surfaces and steam pipes are properly covered; the simplest and most inexpensive covering will reduce loss by eighty per cent; in the engine room cut out useless steam lines, have valves properly set, reduce the small auxiliary pumps, etc., to a minimum, provide the repairs the engineer asks.

Obtain expert advice; good steam engineers are familiar with well-tried ways of reducing



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*One of Chicago's old conservative banks doing strictly a commercial business. Established 1869*

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both consumption of coal and consumption of heat; their advice should be obtained in all practical cases; this is not a time for radical innovations but for utilizing tried experience.

One pound of coal per hour has yielded a horsepower per hour. That is the record of present possibility. It cannot by any manner of means be attained by every plant. But the fact that at present the average attainment throughout the country is but one-third or one-fourth of this record is indicative of the possible savings that can be made if the care and attention which the power plant deserves are actually given to it.

The suggestions which have been given above are typical of the points about which every owner and manager of a power plant should assure himself. The applicability of any general suggestions will vary with nearly every plant.

### England's Far-Flung Trade Line

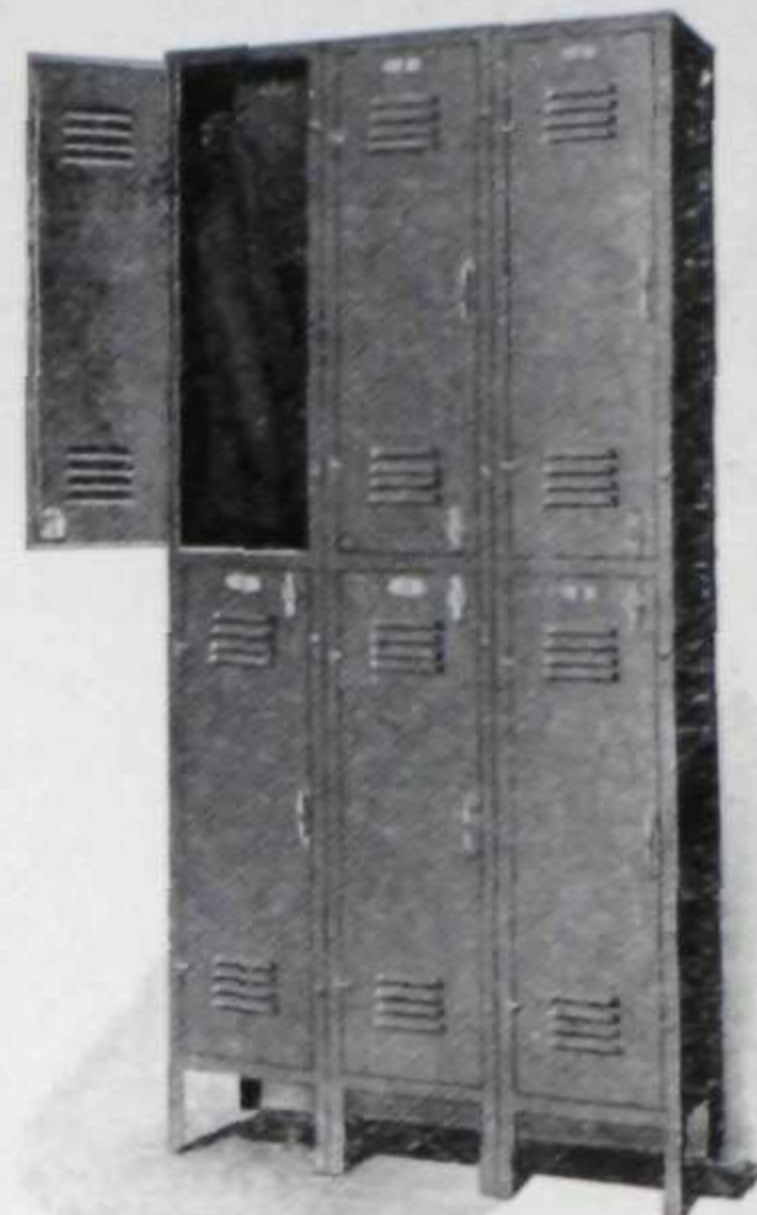
LIKE the Venice of the Middle ages, and largely for the same reason, England has been the trading nation of its time. Its manufacturers, its merchants, its industrial promoters, and its investors have found in every port of the world financial facilities offered by men of their own race, their own training, and their own point of view, and ships that were owned, managed, and commanded by their fellow countrymen. There is great advantage in being able to deal with one's own countrymen in the other countries of the earth; there is even greater advantage in having a center, such as London, where all these interests converge and where the services of any of them may be enlisted.

In London a business man may talk to officials of banking institutions which have branches in places the very names of which are unknown in many another commercial center. Fernando Po, Mombasa, Dar-es-Salam, Nij-Novgorod, Zante, Foochow, Basra, Casablanca, Antofagasta, Ceara are but a few places at which there are centers of credit and expert trade information, which have enabled British exporters and importers to do business with other men anywhere on the globe, make payments to them, or receive payment from them, with mutual satisfaction, and which very largely opened opportunities for British investments outside the United Kingdom. In 1910 Sir George Paish estimated these investments at seventeen and a half billion dollars, and every foreign investment meant more British foreign trade.

Means of travel also radiated from England. The man who wanted to see to his investments or sales in China could cross the Atlantic, use the railroads of Canada, take boat across the Pacific and arrive at Shanghai on schedule and at predetermined cost; in his journey he would not leave the protection of the British flag. If he liked, he could return home by completing a circumnavigation of the globe with similar provisions for his comfort and convenience.

His merchandise in packages could be carried by the same or other liners, on schedule. If he had full cargoes to transport, the ubiquitous British tramp steamer was at his command,—steamers that shifted about the oceans very much as the seasons indicated the products that were to be moved. A tramp might remain for years away from its home port in the British Isles. Meanwhile, it might carry sugar from Cuba to the United States, agricultural implements from the United States to South Africa, proceed in ballast to Australia, load wool for the United States, carry steel products to Argentine, take

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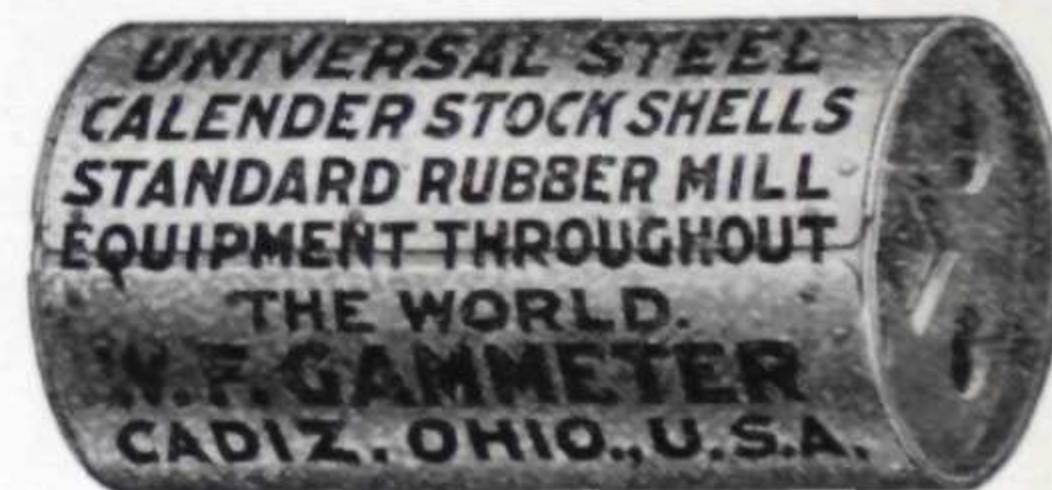
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GLUE** HANDY  
TUBES  
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sheepskins to France, cross to England and get a cargo of coal for the Suez Canal, pick up a load of salt at Aden for Calcutta, take on board jute for the United States, and all the while, because of the general desire of the owners to get the boat home for repairs and refitting, it would prefer cargo that will take it toward home, and having had its overhauling it would be ready for an outward-bound cargo, if necessary, at preferential rates. In all of its voyages about the oceans it would represent British enterprise, would be most available for British use, and would be a means of promoting British commerce. Its services would always be most obtainable in England, and on most advantageous terms.

### The Chinese Tar

From a Report by William Denman

AS far as the seamen's law affects the manning of ships on the Pacific, there has been a gross delusion on the part of the Atlantic seaboard concerning its effects there. China is a very great maritime nation in its coast trade. They have developed a body of seamen and carry an enormous tonnage up and down the China coast, and it takes seamanship to do it—and they have seamen, and fine seamen. And out of that great body of Chinese coasters and sailors, the Pacific Mail, the Dollar ships and others have taken the pick and put them on their vessels, and in the history of navigation on the Pacific the Chinaman has shown up exceedingly well as a sailor where he is properly officered and where the regulations of the ship are reasonable. There have been conspicuous instances where it has broken down. In the case of the *Reo*, which was lost on February 22, 1901, it was one of those instances where the loss of life was directly traceable to the inability of the Chinese to understand the command of the officers. And out of that case has arisen a misconception as to what the Chinaman can do. I happen to know a great deal about that case, because I tried it. I interrogated practically ever Chinaman who was on that vessel, who survived, and I took all of the testimony that was taken in the offices there.

The system which prevailed with the Pacific Mail fleet was to command those Chinamen through interpreters, one for each department of the vessel. And when the *Reo* struck on a dark morning, in a fog, and the water invaded her engine room and destroyed her dynamos and the lights went out, the system of interpreters would not work with only one interpreter to 11 lifeboats. And that loss of life flowed out of that system.

On the other hand, when the old Pacific Mail fleet went off the Pacific, the Chinamen bought some of the vessels. That fleet passed through the international mercantile marine and went to China. They formed a company under the California laws and officered the vessels with white officers and took the Chinamen who had previously been on the Pacific Mail vessels and sat down and inside of two or three months taught them enough English so that the board of examiners made up of men not particularly favorable to the continuance of Chinamen on American ships, had to admit that they understood the language, our language, the English language, sufficiently to do anything they could think of in the course of that examination. For instance they would pick out a yellow-faced fellow in a group of men and say "Come here," and send the rest of the men out.

"Ping, what would you do if the vessel struck a rock?"



## When the work of three is left to two

That's not a far-off prospect for business offices.

Already it is a reality in some. It's a situation that can't be ignored.

Are you fixed to meet it?

Speedy and accurate work can hardly be expected from an overworked staff—especially on accounting jobs.

You can't count for relief on the usual surplus of Bookkeepers, Bill Extenders, and other Figure Clerks.

They'll be marching in khaki.

But you can count on the Comptometer to equalize the burden—even when the work of three is left to two.

You can count on its rapid-fire action equally effective on Addition, Multiplication, Division, Subtraction—to extend the productive power of your shortened force on all figure operations:

*Proving Postings; Balancing Accounts; Adding Daily Sales; Extending and Footing Invoices, Payroll and Estimates; Figuring Costs.*

Now's the time to investigate—before the emergency grows acute.

Anyhow, it's a measure of economy, no matter what happens.

Get in touch with a Comptometer man—you'll find his address below. Invite him to drop in with his machine—not to argue—but to show you what it will do by doing it.

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The controlled-key  
safeguards accuracy

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by American citizen, single, 31 years old, employed with American bank in Central-America. Although born in Germany, he is considered thoroughly Americanized in habits and appearance, holding degree of master of arts (in economics) of Columbia University and New York University. Passed United States civil service examinations for "commercial agent" and "expert in commerce and finance". Contributor of articles on economic subjects to standard magazines. Reference from former employer, a well-known American manufacturers' association, mentions his "thorough German commercial training", which has been supplemented by his practical experience with American banking and manufacturing concerns. Good knowledge of French and Spanish; rapid typist. Willing to work for nominal salary, until ability proven.

For particulars address: O.H.L., Apartado 631, Panama, R.P.

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MANAGING DIRECTOR



# THREE PRESIDENTS

and the

## Chamber of Commerce of the United States

### WOODROW WILSON

I AM particularly glad to express my admiration for the kind of organization which you have drawn together. \* \* \*

"You cannot perform the functions of this Chamber without drawing in not only a vast number of men, but men and a number of men from every region and section of the country. Its strength must come from the uttermost parts of the land and must be compounded of the brains and comprehensions of every sort.

"It is very instructive and useful for the Government of the United States to have such an organization as you are ready to supply for getting a sort of consensus of opinion which proceeds from no particular quarter and originates with no particular interest."

### WILLIAM H. TAFT

WHAT is the purpose of this organization? It has come at a time when the opportunities for making an organization of this kind seem to be especially useful. \* \* \*

"I speak of a movement for the purpose of showing the power that this national organization has by the referendum to all these organizations to gather from them the best public opinion that there is, in order to influence the legislation of the country so far as it may be properly influenced."

### THEODORE ROOSEVELT

ON MORE than one occasion I have expressed my hearty belief in what the Chamber of Commerce of the United States is doing.

"For co-operation with the Government in fostering, promoting and developing foreign and domestic trade, such a great national organization of business men and commercial associations is invaluable.

"Your referenda are both educative and useful in that they not only focus simultaneously the attention of 400,000 business executives on a national question, but they lay before Congress and the authorities in Washington the opinion of American Business in regard to national problems affecting industry and commerce."

*Splendid evidence of the willingness of the Government to cooperate with Business! Are you willing to cooperate to a like extent with the Government? If so, write for particulars to the*

## FIELD DIVISION

CHAMBER OF COMMERCE OF THE U. S. A.  
WASHINGTON



"I wait for my officer; he tell me what to do."

"What about life preservers?"

"Oh! bimeby, pretty quick, get life preservers and put on women and children first. Bimeby officer he say put down the boats, and we put down the boats and we put in women and children first and make men go bimeby."

In other words, those men were able to understand the language of their officers without any difficulty whatsoever; and with their previous sea training knew everything that should be done once the terms were given them. And now that vessel is sailing to-day under exactly the same conditions under which all the Pacific Mail fleet could have been sailed if it had not been deemed financially desirable to sell the fleet out at the moment.

Now, there are reasons why the Pacific Mail or any other American line will hesitate to cross the Pacific to-day, and those are the reasons I have indicated with reference to the competition of another nation. And we do not want our fleets manned by yellow men; but yellow men are the only men to fight yellow men on the Pacific until, to the investors in that property, the cost of operating with white men is as cheap as it is with yellow men. Whether Congress is finally going to decide to subsidize white seamen on the boats on the Pacific so as to make up the difference in cost, possibly, so the American investor can run his ships on the salary or wage account as cheaply as his competitor can do, we do not know. But it is going to be made very clear to Congress, before we are through with them, the present conditions that exist out there.

The seamen's bill provides only, with regard to the crew, that it shall understand the language of the officers. It does not provide that they shall sit down and have a drawing-room conversation and discuss, we will say, the latest pictures in the salons of France; but that they shall know the business of the ship in the language of the officers commanding them. In the year 1890 or 1891, Chinamen were coming into San Francisco, before the exclusion act, at the rate of 6,000 or 7,000 a month—stimulated, no doubt, by the fear of the passage of that act.

Now, we took those Chinamen and put them in our kitchens and inside of three months they would know the names of more things than occur in the conduct of the business of a ship.

### Making It Read "—Essential"

(Concluded from page 15)

But new British industries do not stop with dyes. Oil pressing, production of tungsten and making of high-speed steel, fabrication of metal frames for the Englishman's inevitable bag, and manufacture of rubber sponges merely illustrate the new undertakings which supplement the extensive new enterprises directly connected with war, like motor-building and construction of airplanes.

The merchants apparently have most fault to find with the course of industrial events in England. Toward the end of October they held a large meeting and protested against the government's methods in controlling and restricting trade and especially against its assuming a position of intermediary between producer and consumer, to the elimination of the merchant and trader. As a result of the meeting there may be some debate in Parliament. At this distance it is hard to understand the pros and cons of the matter. It is accordingly safe for an American to do no more than quote a cryptic observation of the London *Statist*, to the effect that in the House of Commons it is to be expected that national interests will command the support of the government, and the majority.



## TO CALIFORNIA

on the famous SUNSET LIMITED—through Louisiana, with its typical southern plantation scenes; Texas, with its great plains and mountain ranges; along the Mexican border, and through Arizona—via the

### SUNSET ROUTE

New Orleans San Antonio Los Angeles San Francisco

THE APACHE TRAIL auto trip between Globe and Phoenix, Arizona, affords a fascinating diversion on the way. Vast Canyons, ancient Cliff Dwellings, and the famous ROOSEVELT DAM are some of the objects of interest on the Trail. Through sleepers direct to the Trail. Literature and further information sent on request.

### SOUTHERN PACIFIC LINES

NEW YORK 366 Broadway NEW ORLEANS Metropolitan Bank Bldg. HOUSTON So. Pacific Bldg. SAN FRANCISCO So. Pacific Bldg.



## ANNOUNCEMENT!

**B**EGINNING with the issue of January, 1918, which will be published on December 19th, the price of THE NATION'S BUSINESS will be \$3 per annual subscription and 25 cents per single copy.

THE CHAMBER OF COMMERCE  
OF THE  
UNITED STATES OF AMERICA



# ELECTRIC MOTORS

*For Immediate or  
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## At Home and Abroad They Use Wells Fargo Checks



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### INTRODUCTORY OFFER



Your Money Back—Instead of repadding old calendars, take advantage of our special introductory price and get new ones that are much handier and convenient in every way. Send a dollar or more. Money back if you are not satisfied.

### Industry Collects Its Own War Tax (Concluded from page 21)

disturb sound and desirable trade practices. It is essential, however, that the work shall proceed intelligently and expeditiously."

"The forces of the Internal Revenue Bureau clearly understand the policy of the department. In planning for the gigantic task of collecting the war revenue, a new organization of that bureau has been effected, additional divisions have been created, responsibility and authority rearranged and defined among the different subordinate officers, and preparations made for a large increase in personnel."

"Each one will be required to so conduct his own work for the department as to clearly reflect this policy. This means that the policy will be felt and applied in the case of every business and individual in the nation."

In order to acquaint themselves as fully as possible with all questions arising under the law, and to avail themselves of the business opinion of the country, the advisers have sent letters to trade bodies of various kinds asking them to submit suggestions as to the administration of the law.

### An Expose of South American Trade Spectres (Concluded from page 23)

rather than of educating the public up to the advantages of the new line.

Publicity runs hand in hand with salesmanship. It is a good investment to give the salesman a chance to become, at least to some degree, conversant with the advertising methods of his house. He will do well to go equipped with cuts and copy for an opening advertising drive. If he is really observant he will be able to contribute a great deal towards publicity building in the new or undeveloped territories.

From which it will be seen that the selling of our goods in South America requires no black magic—nor indeed, magic of any color. With the exception of the language requirement, the salesman needs only to be equipped with the usual necessities of courtesy and common sense.

## Your Foreign Business

In your banking business—foreign as well as domestic—you need the services of a progressive and strong banking institution. Our Foreign Department is equipped to finance your imports along modern, efficient and economic lines and provide you with any other medium of foreign exchange. Please command us.

Member of  
New York Clearing House  
Association

Member of  
Federal Reserve Bank  
of New York

**Broadway Trust Company**

Frederic G. Lee, Pres.

Woolworth Building  
New York



Make that farm of yours pay more. Equip it with better implements backed by a better knowledge of how to use them. Write for our big book, mentioning "The Nation's Business"

**Deere & Company, Moline, Illinois**



# A PATRIOTIC PACKAGE

## For Your Shipping

One that saves time, labor and money for you and therefore for the Nation.  
One that economizes car space and tonnage for you and for the railroad that serves you and thus helps to win battles.

The Shipper owes it to his country as well as to himself to abolish slack-packing and discard the old style, expensive, bulky and cumbersome shipping box which costs so much to buy, to store, to pack and to carry.

## Hinde & Dauch Corrugated Fibre Boxes

made of the lightest box material ever known, are staunch, tough and strong-proven in a thousand tests to be prime preventers of breakage and pilfering. Furthermore, the H. & D. fibre box is made to order so as to fit its contents without an ounce or a cubic inch wasted. Consider—there is only one single inch of difference between the combined inside length, width and depth of your H. & D. box and the sum of its three corresponding outside dimensions. Folded flat as it comes to you from our factory it occupies only one-tenth of its normal cubic contents. Think of the saving of your storage room and of space in the cars you load. You can ship more goods in your car in this style of package than can be stowed into it in any other container.

What does this mean? It means an opportunity to do your "bit" with a great and immediate advantage to yourself. It means that in addition to direct savings for you in initial cost, and in storage, handling and packing, the use of H. & D. Shipping Boxes assures a lighter burden for the overworked railways and a surer supply for the whole people.



*Send for "HOW TO PACK IT" a complete illustrated story of this wonderful packing method. Help to remove the menace of the Slackpacker by reading this book which is yours without expense, or obligation*

**The Hinde & Dauch Paper Company**

304 Water Street

Sandusky, Ohio





# Clear the Way

## Help Our Army, Navy and Allies to Win This War

**A**MERICA'S RAILROADS are doing wonderful work, but they need help.

Freight cars must be unloaded and terminals cleared.

If it is your job, speed up loading and unloading of cars on private sidings.

Do not be a slacker by trying to save expense of labor or space by using freight cars as storage houses.

If your merchandise is congested at the terminals and you have not sufficient teams or motor trucks to move the goods at once, buy them or hire public ones.

If you can't do this, do something else—ask your neighbor to help you. Why hesitate to hire your neighbors' trucking facilities?

OFFICERS

***We must pull together.***

EXECUTIVES

Shipping Departments throughout the country demand the personal consideration of executives.

MANAGERS

Co-operation throughout the entire establishment with the Shipping Department is vital.

Ascertain all the old rules and regulations your Shipping Department is expected to carry out, and if they do not fit the present emergency, throw them away.

Plan to reach nearby points by motor trucks, teams or waterways—save the railroad terminals. Twenty-five per cent (25%) of case, barrel and package merchandise can be delivered in this way, and help break the congestion. No one wants embargoes.

EXCLUSIVE

If the railroads decide to reserve certain terminals exclusively for Government materials, do not grumble, but go the extra distance and haul your goods to or from other terminals.

GOVERNMENT

TERMINALS

It may be necessary to have a National Terminal Clearing Day in order to clear all terminals throughout the entire country.

NATIONAL

TERMINAL

If we have a Terminal Clearing Day, keep your teams and motor trucks going and keep your receiving departments open continuously 24 or 48 hours, if need be, and give the railroads a chance to catch up.

CLEARING

DAY

***Let everybody be prepared some way, somehow, to move their merchandise away from the terminals immediately.***

**THE AUTOCAR COMPANY, Ardmore, Penna.**

***"The Autocar Motor Truck"***

BOSTON PROVIDENCE NEW YORK NEWARK PHILADELPHIA BALTIMORE  
WASHINGTON PITTSBURGH CHICAGO SAN FRANCISCO LOS ANGELES SAN DIEGO

Poster Copies will be mailed upon request.

*This advertisement appeared in the newspapers November 17th, 1917*